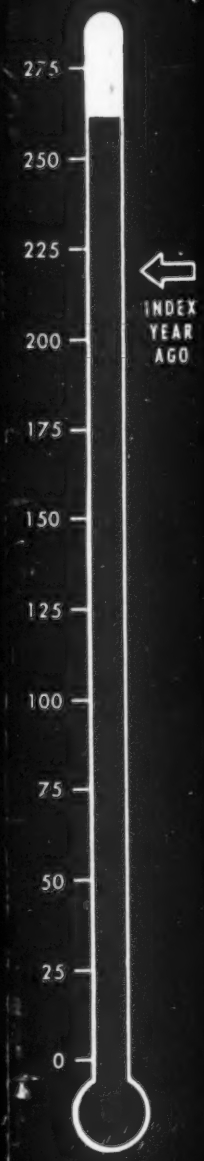
BUSINESS WEEK

INDEX ON PAGE 24

Mail Service
WILL IT GET ANY BETTER?
PAGE 98





Dewhurst of the Twentieth Century Fund: A continent for his province (page 154)

A McGRAW-HILL PUBLICATION

JUNE 27, 1953



"Our *Nationals* save us their cost every 10 months!"

—MINUTE MAID CORP., New York
"Largest Producer of Frozen Juice Concentrates"

"Our National 'Class 31' Accounting Machines are saving us $18,000 every year. Since the machines originally cost $15,640, these savings represent a return of 115% annually on our investment.

"We installed our Nationals in 1949. Since that time, Minute Maid sales of frozen juice concentrates have increased 248%. It's remarkable, we think, that our National Machines handle this increased volume so efficiently—and with such ease of operation—that no additional equipment or personnel is required."

L. F. Bender
Vice President and Treasurer

Your costs can be cut, too, with National Machines, which often do 2/3 of the work *automatically*, soon pay for themselves out of the money they save—then continue to return their cost as handsome profit! Your nearby National representative is a trained systems analyst. Ask him to show you how much Nationals will save you.

THE NATIONAL CASH REGISTER COMPANY, DAYTON 9, OHIO

National

RESEARCH KEEPS **B.F.Goodrich** FIRST IN RUBBER



One improvement saved $7700— what can better rubber do for you?

ONE easy change saved this plant $7700. V belts were lasting only 7 months. Management changed to grommet belts—an entirely new kind of V belt developed by B. F. Goodrich —*they* lasted 7 *years*. Saving was $7700 in replacement costs alone.

Other B. F. Goodrich improvements are making savings in hundreds of places that are just as impressive. For instance, BFG has developed a radically new conveyor belt, called Griptop, that can carry packages, crates, all sorts of things, at steep angles never possible before, and so make substantial savings in space, equipment costs and time.

Still another example is B. F. Goodrich Armorite, a special rubber so tough it handles rocks, gravel, other things that wear right through steel. Used as chute lining in a Pennsylvania coal mine, Armorite is still in service after 5 years while the steel plates previously used had to be replaced 2 and 3 times a year.

Outlasting other rubber, other materials by many times, is nothing unusual for products improved by B. F. Goodrich research. The cord conveyor belt which can last 10 times longer is typical of this. And the Burstproof steam hose that protects workers from scalding and injury makes a saving in safety as well as money. To find out more about these money-saving improvements and what they can do for you, send the coupon now for free facts on those rubber products you use.

The B. F. Goodrich Company
Dept. M-44, Akron 18, Ohio

I want to know more about the products I've checked below:

- ☐ Grommet V belts
- ☐ Griptop belt
- ☐ Armorite lining
- ☐ Cord conveyor belt
- ☐ Burstproof steam hose
- ☐ Other rubber products (name types)_____

☐ Send information by mail.
☐ Have a BFG distributor see me.

Name_____

Company_____

Address_____

Link-Belt Research and Engineering . . . Working for Industry

How precision Link-Belt bearings help speed America's production lines



Continuous steel strip is electrolytically tinplated at 1500 feet per minute —almost twice the speed of previous comparable lines. Link-Belt roller bearing pillow blocks support the shafts on each end of the 26 contact rolls.

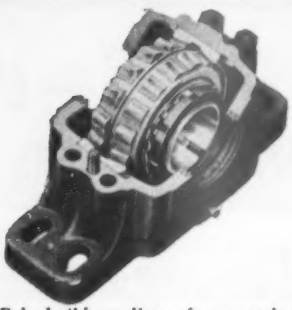
Full load ratings are maintained under the toughest operating conditions

CLOSE "in action" inspection demonstrates the dependability and quality of Link-Belt bearings in severe production line operations. Even with high speeds, grit, excessive temperatures and heavy loads, these integrally self-aligning bearings provide full radial and thrust load capacities.

That's why designers of so many hard-working machines specify Link-Belt ball and roller bearings. And when you use Link-Belt bearings, you can be sure they will provide long-life, free-rolling shaft support.

Next time you're in a mill or factory . . . on a farm or in the oil fields—take a look around you. Chances are good that the vital rotating parts of the equipment you see are mounted on Link-Belt bearings.

Throughout industry, you'll find Link-Belt power transmission, conveying and processing equipment at work. And in every instance, you'll discover these quality products pay dividends in cutting costs . . . increasing output . . . making America more productive.



Link-Belt builds a line of mounted and unmounted ball and roller bearings for every industrial need. More, Link-Belt bearings are used as original components for many of America's hardest-working machines.

LINK-BELT

LINK-BELT COMPANY

Executive Offices:
307 N. Michigan Ave., Chicago 1, Ill.
Plants: Chicago, Indianapolis, Philadelphia, Colmar, Pa., Atlanta, Houston, Minneapolis, San Francisco, Los Angeles, Seattle; Scarboro, Toronto and Elmira, Ont. (Canada); Springs (South Africa); Sydney (Australia).
Sales Offices in Principal Cities. 19.200

ONE SOURCE . . . ONE RESPONSIBILITY FOR MATERIALS HANDLING AND POWER TRANSMISSION MACHINERY

BUSINESS WEEK

EDITOR & PUBLISHER Elliott V. Bell
MANAGING EDITOR Edgar A. Grunwald
EXECUTIVE EDITOR Kenneth Kramer

ASSISTANT MANAGING EDITOR Robert B. Colborn
ASSOCIATE MANAGING EDITOR John L. Cobbs
ASSOCIATE MANAGING EDITOR Peter French

DEPARTMENTS

Business Outlook: Clark R. Pace, *Editor;* William B. Franklin
Commodities: Gertrude Charloff, *Editor*
Finance: William McKee Gillingham, *Editor;* Paul D. Gesner
Foreign: Howard Whidden, *Editor;* Paul R. Miller, Jr., George F. King, Jr.
Industrial Production: Charles M. Garvey, *Editor;* John K. Fockler, George J. Gray, Jr.
Labor: Merlyn S. Pitzele, *Editor;* Edward T. Townsend
Management: Richard L. Waddell, *Editor;* John R. Thomas
Marketing: Carl Rieser, *Editor;* Cora Carter, Richard M. Wight
Personal Business: Guy Shipler, Jr., *Editor*
Regions: Richard M. Machol, *Editor*
Illustration: Harry Jensen, Kate McSweeney, *Editors;* Richard A. Wolters (*Pictures-Photography*), Robert Isear, Herbert F. Kratovil, Jomary Mosley, Arthur Richter
Special Projects: Frank J. Fogarty
Library: Dorothy Roantree, *Librarian;* Emily Cherry, Ruth Callanan

NEWS EDITORS

Marilyn T. Benjamin, T. B. Crane, Robert F. Deed, Maxwell D. Gunther, Irene Pearson, Doris I. White

EDITORIAL ASSISTANTS

David B. Carlson, Marguerite G. Cronin, D. A. Drennen, Jean Drummond, Alma E. Jackson, Alice Marks, Mary Maguire, Dorothea Schmidt

ECONOMICS STAFF

Dexter M. Keezer, *Director;* Peter J. Davies, Stahrl Edmunds, Richard Everett, Howard C. Gary, Douglas Greenwald, Robert P. Ulin

DOMESTIC NEWS SERVICE

Chicago Bureau: James M. Sutherland, *Manager;* Mary B. Stephenson, Dorothy Miller
Cleveland Bureau: Robert E. Cochran, *Manager;* Jean H. Henderson
Detroit Bureau: Stanley H. Brams, *Manager;* James C. Jones, Jr., Glenna Sotier McWhirter
Houston Bureau: Eugene Miller, *Manager*
Los Angeles Bureau: Thomas M. Self, *Manager*
Pittsburgh Bureau: Richard N. Larkin, *Manager*
San Francisco Bureau: Richard Lamb, *Manager;* Joanne O'Brien

Washington Bureau: George B. Bryant, Jr., *Manager;* Glen Bayless, Carter Field, Jay Flocken, Boyd France, Joseph Gambatese, Sam Justice, William H. Kearns, John L. Kent, Donald O. Loomis, Jesse Mock, Gladys Montgomery, Arthur L. Moore, Morton A. Reichek, Caroline Robertson, Vincent Smith, W. B. Whichard, Jr.

Correspondents: Akron, Albany, Altoona, Atlanta, Austin, Baltimore, Birmingham, Boston, Buffalo, Charleston, Charlotte, Cincinnati, Columbus, Concord, Dallas, Denver, Des Moines, Duluth, Fort Worth, Green Bay, Greensboro, Harrisburg, Hartford, Jacksonville, Kansas City, Knoxville, Little Rock, Memphis, Milwaukee, Minneapolis, Nashville, New Orleans, Oklahoma City, Orono, Philadelphia, Phoenix, Portland, (Ore.), Providence, Richmond, Rochester, Salt Lake City, San Antonio, San Diego, Seattle, St. Louis, Syracuse, Toledo, Wilmington, Worcester, Honolulu.

FOREIGN NEWS SERVICE

Editor: Joseph K. Van Denburg, Jr.
Frankfurt: Gerald W. Schroder
London: Nathaniel McKitterick
Manila: Herbert Leopold
Mexico City: John Wilhelm
Paris: Ross Hazeltine
Rio de Janeiro: Lionel Holmes
Tokyo: Alpheus W. Jessup

Correspondents: Amsterdam, Athens, Bangkok, Beirut, Belgrade, Bogota, Bombay, Brussels, Buenos Aires, Cairo, Caracas, Ciudad Trujillo, Copenhagen, Djakarta, Durban, Geneva, Guatemala City, Havana, Helsinki, Istanbul, Johannesburg, Karachi, La Paz, Lima, Madrid, Melbourne, Oslo, Ottawa, Panama City, Quito, Reykjavik, Rome, Salzburg, San Juan, San Salvador, Santiago, Sao Paulo, Stockholm, Sydney, Tehran, Tel Aviv, Wellington, Winnipeg.

ADVERTISING & BUSINESS MANAGER Herman C. Sturm

BUSINESS WEEK • JUNE 27 • NUMBER 1243

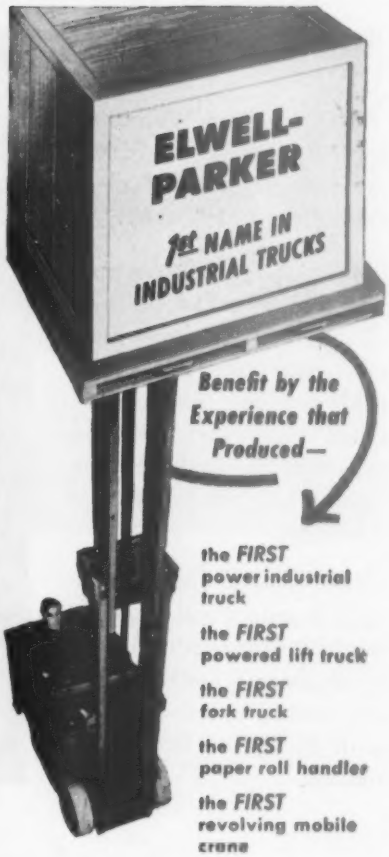
(with which are combined The Annalist and the Magazine of Business) • Published weekly by McGraw-Hill Publishing Company, Inc., James H. McGraw (1860-1948) Founder • Publication Office, 99-129 North Broadway, Albany, N. Y. • Editorial, Executive and Advertising Offices, 330 West 42nd St., New York 36. • Curtis W. McGraw, President; Willard Chevalier, Executive Vice-President; Joseph A. Gerardi, Vice-President and Treasurer; John J. Cooke, Secretary; Paul Montgomery, Senior Vice-President, Publications Division; Ralph B. Smith, Vice-President and Editorial Director; Nelson Bond, Vice-President and Director of Advertising.

Subscriptions: Address correspondence regarding subscriptions to J. E. Blackburn, Jr., Vice-President and Director of Circulation, Business Week, 99-129 N. Broadway, Albany 1, N. Y., or 330 West 42nd St., New York 36. Allow one month for change of address.

Subscriptions to Business Week are solicited only from management-men in business and industry. Position and company connection must be indicated on subscription orders.

Single copies 25c. Subscription rates — United States and possessions $6.00 a year; $12.00 for three years. Canada $7.00 a year; $14.00 for three years. Other Western Hemisphere countries $15 a year; $30.00 for three years • All other countries $25 a year; $50.00 for three years • Entered as second class matter Dec. 4, 1936, at the Post Office at Albany, N. Y. under Act of Mar 3, 1879 • Printed in U. S. A.

Copyright 1953 by McGraw-Hill Publishing Co., Inc. — All Rights Reserved.



Elwell-Parker originated the product, and has set the standard of industrial truck performance from the beginning. Elwell-Parker has pioneered truck versatility throughout industry by variations of the basic types plus design of special attachments . . . Today, Elwell-Parkers are available in over 80 models and capacities, either electric or gas powered . . . Take advantage of this unmatched experience by calling in the nearest of the 38 Truck Application Engineers. The Elwell-Parker Electric Co., 4007 St. Clair Avenue, Cleveland 3, Ohio.

FREE BULLETIN

on "Industrial Logistics". Write for it and name your product. The Elwell-Parker Electric Co., 4007 St. Clair Ave., Cleveland 3, Ohio.

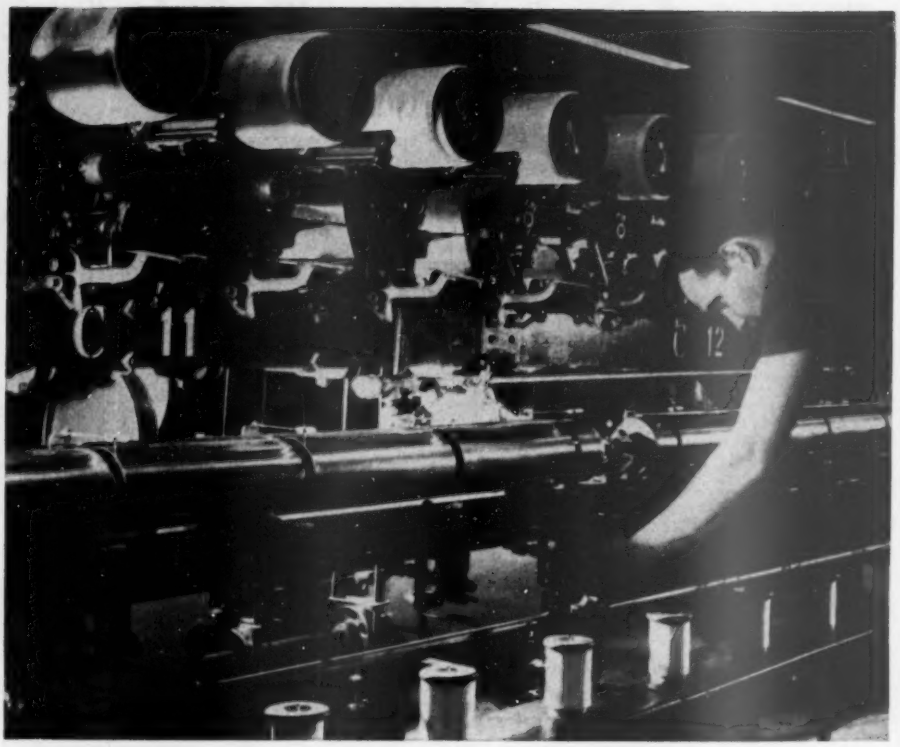


ELWELL-PARKER
Power Industrial Trucks
Since 1906

You will find Vulcanized Fibre and Laminated Plastics at work in a lot of places around the textile mill.

Shuttles, sizing bobbins, spinning bobbins, headless package tubes, redraw caps, gears, spinning bucket lids, roll or shaft bearings, cam followers . . . all wear longer when they are made of Taylor Vulcanized Fibre or Laminated Plastics.

These versatile materials are light in weight and have high mechanical strength. They are tough, smooth, and hard. They are more chemical and abrasion resistant than most metals.

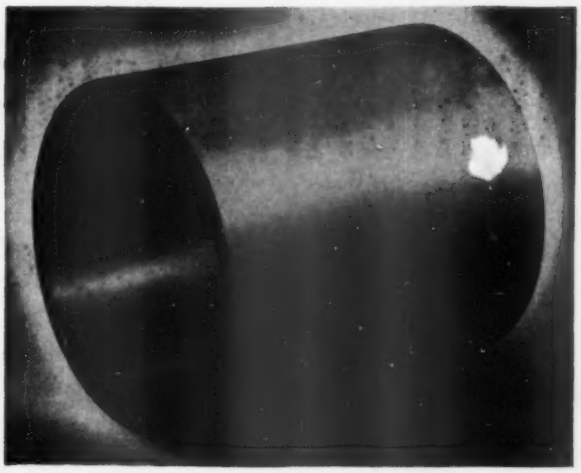


Here's how the Textile Industry

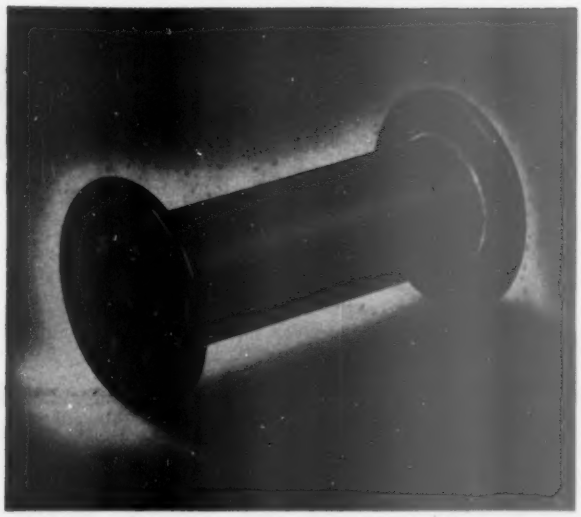


Shuttles, travelling so ▶ fast you can hardly see them, are made of Taylor Shuttle Fibre bonded to a wood core. This fibre has a smooth hard finish that is highly resistant to yarn abrasion. It wears slowly and smoothly . . . with no rough surfaces to snag the yarn. It is light in weight (about half that of aluminum) and machines easily. Taylor Grades L and CEF Laminated Plastic, bonded to wood, are recommended for special applications.

◀ Taylor materials not only help make the clothes you wear, they help sell them as well. This attractive sock display case is an example of the many ways Taylor Fibre and Laminates can be used. It is made of black Grade XX laminate, a material that takes a smooth, high gloss finish. It is economical to use . . . fabricates easily.

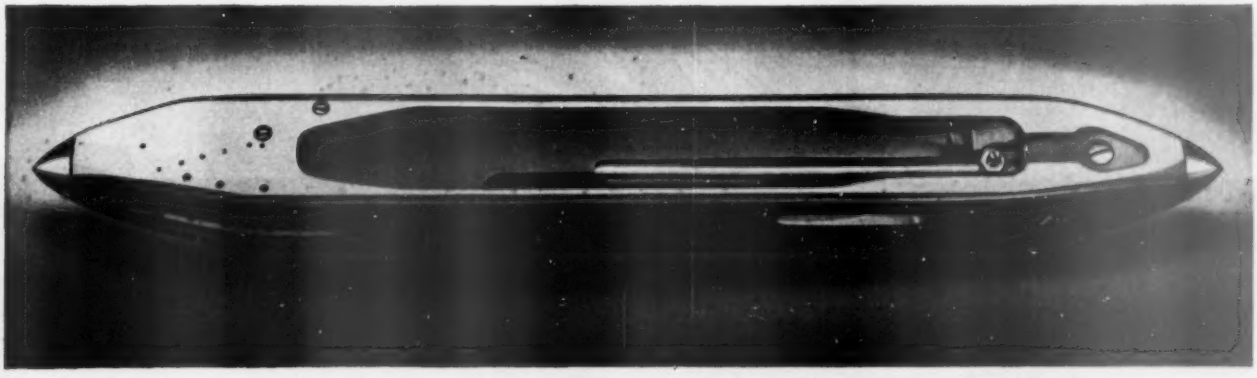


▲ Sizing bobbins used in Nylon yarn processing have to withstand tremendous crushing loads. As the yarn is wound on the bobbins it is under slight tension . . . tension that builds up pressure with each layer. After winding it is permitted to set . . . this is when the compressive load is greatest. The Taylor Grade XX non-bleed Phenolic Laminate used in this application has the resiliency to give slightly under the load, the compressive strength to "take it" without being crushed, and the dimensional stability to return to exact original size when the yarn is removed.



▲ Bobbins and spools, because of their varied construction, use several custom grades of Taylor materials. Grade XX non-bleed laminated plastic tube is used where smoothness, high strength and stability are demanded by synthetic yarns and steaming operations. Bobbin heads employ Grade LLL laminated plastic or Taylor Bobbin Fibre selected for high impact strength, smooth finish and resistance to wear. They have excellent machining and punching qualities for economical fabrication.

uses Taylor Fibre and Laminates



Taylor Vulcanized Fibre, Phenol, Melamine and Silicone Laminates are available in a wide range of physical and mechanical properties that can help your staff in many of their design problems. In addition, Taylor engineers are well qualified by experience in the textile field to assist in selecting the Taylor products that are best suited to any particular requirement.

Taylor facilities are geared to meet your production schedules . . . whether you buy raw stocks of sheets, tubes, rolls or rods . . . or specially fabricated parts.

For Your Staff—Factual and informative Taylor advertising is being directed to your Engineering and Purchasing Departments . . . to help your staff become familiar with the ways Taylor products can help you produce better products . . . at lower costs.

For Your Files—a comprehensive booklet on Taylor materials. Write today. Taylor Fibre Co., Norristown, Pennsylvania — La Verne, California. *Branch offices in Asheville, Boston, Chicago, Cleveland, Dayton, Detroit, Indianapolis, Los Angeles, Milwaukee, New York City, Philadelphia, Pittsburgh, Rochester, St. Louis and Tolland, Connecticut. Distributors in Grand Prairie and Houston, Texas; New Orleans and Los Angeles.*

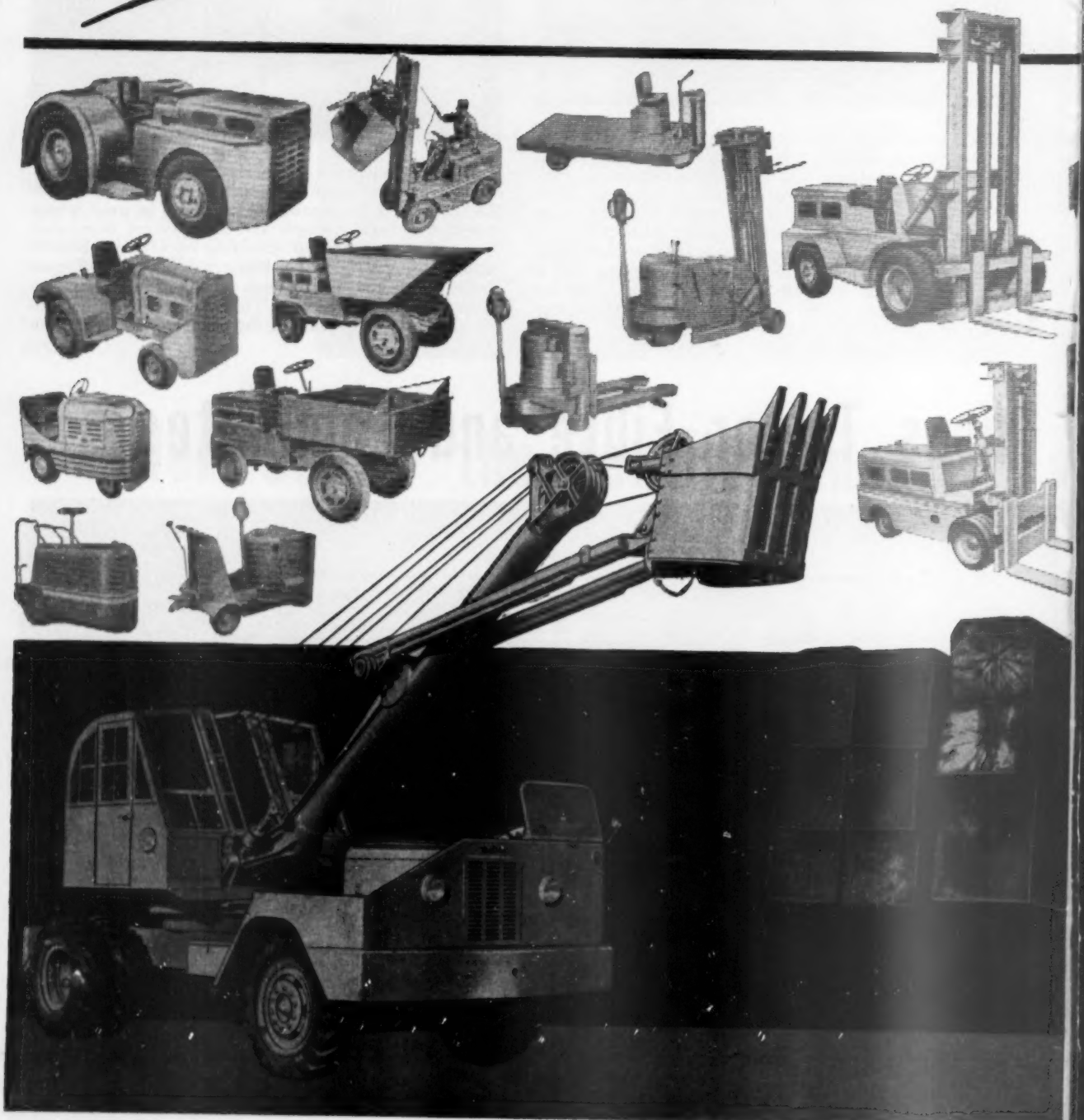
TAYLOR

Laminated Plastics

Vulcanized Fibre

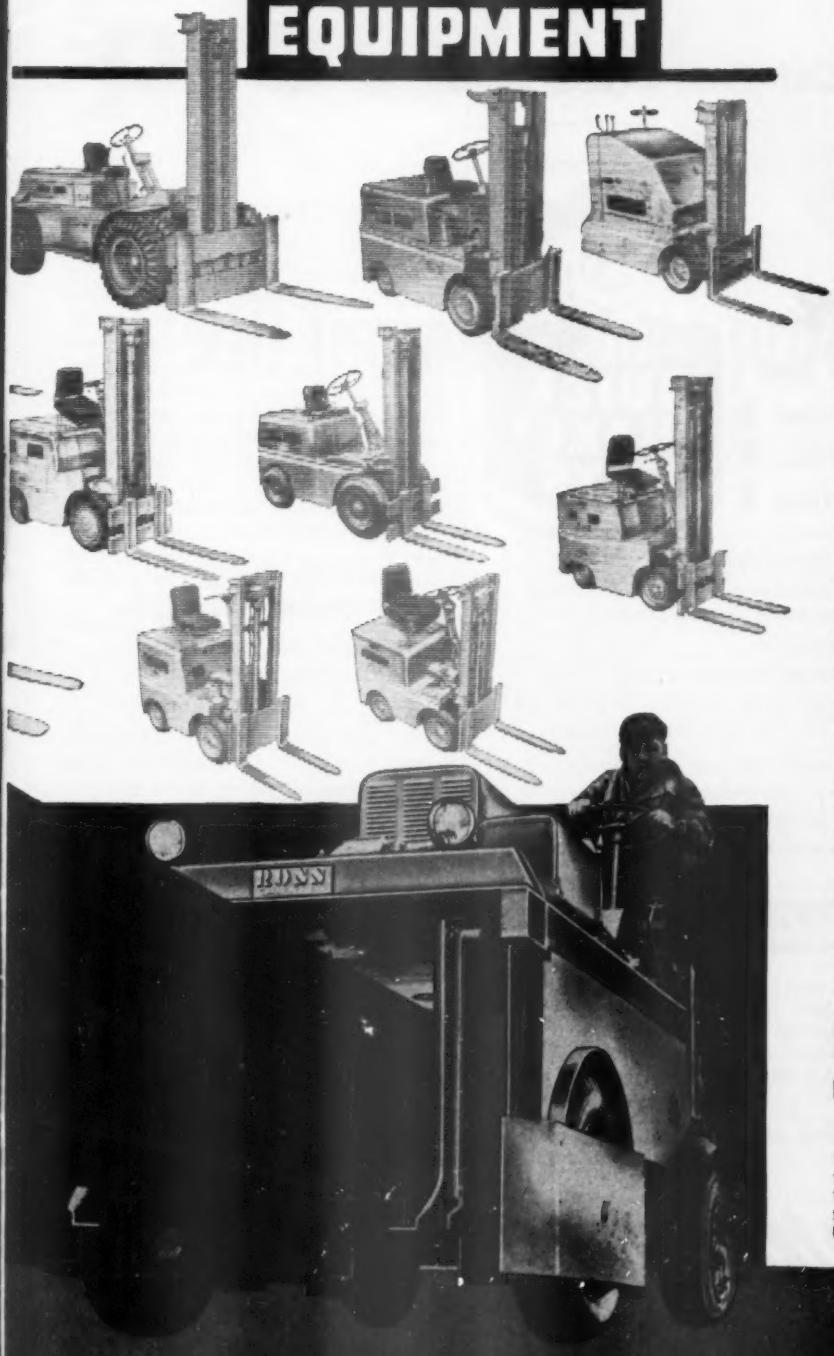
NOW... MICHIGAN POWER

PRODUCTS



SHOVELS and ROSS CARRIERS

OF CLARK EQUIPMENT



This is the first time in history that such a complete line of materials-handling equipment is available from a single source. And it is only natural that this source should be Clark . . . a name that has become synonymous with quality and integrity.

In the construction and road building fields, Michigan Power Shovels and Cranes are known for their ability to handle a wide variety of bulky materials with efficiency and economy. Quickly convertible to shovel, crane, dragline, clamshell or trench-hoe work, they have become increasingly important to those engaged in all types of earth moving as well as for handling such things as pipe, structural steel, tile, lumber, etc. Truck-mounted and completely self-contained, they travel at truck speed and eliminate the necessity of loading and unloading. They are available in several types and sizes, including crawler design, to meet varied requirements.

Ross Carriers . . . versatile, agile, with tremendous strength . . . straddle unwieldy loads, lift them, and transport them without apparent effort. They travel fast (25 to 40 MPH) and are highly maneuverable, having a short turning radius. They have been found indispensable in the handling and transporting of logs, lumber, steel beams, pipe and other materials of great length. No other type of equipment can do these jobs so well. Ross Carriers are available in several types and sizes and are capable of handling loads up to 171" high and 96" wide, weighing as much as 45,000 lbs.

Add these fine machines to the broad line of Clark gas and electric powered fork lift trucks, powered hand trucks and towing tractors . . . each available in many sizes and capacities . . . and you have the finest and most complete line of materials-handling equipment made.

We'll be glad to send you full details about Ross Carriers, Michigan Shovels and Cranes, or any other equipment in the Clark line. Write us.

CLARK EQUIPMENT COMPANY • BUCHANAN, MICHIGAN

Other Plants: BENTON HARBOR • BATTLE CREEK *and* JACKSON, MICHIGAN

PRODUCTS OF CLARK EQUIPMENT . . .

TRANSMISSIONS • AXLES (Front & Rear) • AXLE HOUSINGS
TRACTOR UNITS • FORK TRUCKS and TOWING TRACTORS
STRADDLE CARRIERS • POWRWORKER HAND TRUCKS
POWER SHOVELS • ELECTRIC STEEL CASTINGS • GEARS and FORGINGS



Dearborn

water treatment and engineering service protect equipment, reduce maintenance

In its plants throughout the country, this famous producer of nutritious food employs the most efficient manufacturing methods...keeps costs down with proper maintenance.

That's why Dearborn water treatment and engineering service are used to protect the boilers and power plant facilities of The Quaker Oats Company.

This is but another example of how companies, large and small—in every type industry—rely on Dearborn products and services to protect valuable equipment, avoid breakdowns, reduce maintenance costs.

WHY YOU CAN RELY ON Dearborn

Dearborn has specialized in the conditioning of water and the control of corrosion since 1887. This broad experience in water treatment and rust prevention—plus Dearborn's extensive laboratory and research facilities are at your service... at no obligation. You'll find it will pay to...



know your Dearborn engineer

Dearborn

TRADE MARK

COMBATTING CORROSION EVERYWHERE SINCE 1887

Dearborn Chemical Company, Merchandise Mart Plaza, Chicago 54, Ill.

READERS REPORT

Swords to Plowshares

Dear Sir:

We noted with interest your article on Japan and its markets [BW—Jun. 6'53,p142]. . . .

Your treatment of the subject was read with real interest by our West Coasters, to be sure. What with Japan's fast developing economy and our country's sound thinking in the newly projected program of "Trade Not Aid," we would think your timing was ideal. . . .

MILTON G. DRUCK
DAVID H. SUTHERLAND & CO.
PORTLAND, ORE.

Chasing Charity Chiselers

Dear Sir:

In your May 30 issue you have an article on page 143 and 144 about executive giving. . . . You end up by saying that if in doubt about local charitable organizations clear with your local Chamber of Commerce or, if national in scope, to apply to the National Better Business Bureau. . . .

There are some 90-odd local Better Business Bureaus in the U.S. and Canada. In those cities which have a local Better Business Bureau, that Bureau is in much better shape to advise about soliciting organizations and unordered merchandise, etc. . . .

EVANS F. STEARNS
THE STEARNS & FOSTER CO.
LOCKLAND, CINCINNATI, OHIO

Dear Sir:

Personal Business [BW—May30'53, p143] touches on a subject that should be of concern to businessmen and corporations making contributions to charity. Your advice to clear with the local or National Chamber of Commerce may protect the giver from the more obvious fakers. . . .

The National Information Bureau is a membership organization that publishes a "Givers Guide" annually, and also will supply to its members a confidential report on specific appeals or causes. Reports from the Bureau can save not only money but embarrassment to executives who are called upon to serve on boards as well as give their money. Bureau reports help distinguish between honest and dishonest appeals. . . .

JAMES E. SMITH
EXECUTIVE SECRETARY
HIGH POINT COMMUNITY CHEST, INC.
HIGH POINT, N. C.

Dear Sir:

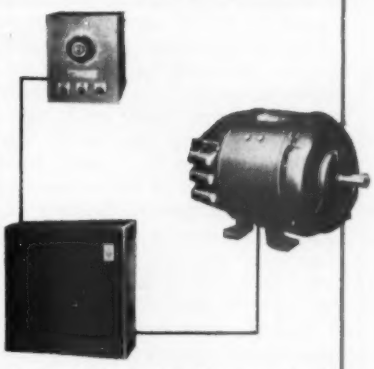
. . . . The National Information Bureau, Inc., of 205 East 42nd St.,

These facts prove...

RELIANCE V★S DRIVE

will increase your production with ADJUSTABLE SPEEDS FROM A-C. CIRCUITS

The Original Packaged All-Electric, Adjustable-Speed Drive for A-c. Circuits



Conveniently packaged, factory-wired V★S Drives are available from ¾ to 300 hp. Two or more motors may be operated simultaneously from a single Control Unit.

CONVENIENT CENTRALIZED CONTROL—V★S Drive makes speed changing so easy and convenient that the most economical speed for every operation can always be used. Convenient-to-operate controls are grouped and located where your operator can easily, quickly and safely control all functions of his machine. Controls may be at the machine, or at any remote location, as desired.

STEPLESS SPEEDS—V★S Drive offers an unlimited range of stepless speeds. Operators may change to any speed while machines are running, or may pre-select any speed while machines are at rest, by merely turning the speed adjustor.

CONTROLLED ACCELERATION AND DECELERATION—V★S Drive provides positive all-electric control of torque for breakaway and for acceleration or deceleration. Speed changes may be rapid or gradual, and as frequent as desired. Shockless speed changing with V★S Drive avoids damage to delicate materials or fabrics.

QUICK, SMOOTH STARTS AND STOPS—Quick starts and stops cut lost time between operations. With V★S Drive, any load can be stopped quickly and smoothly, from either high or low speeds, through positive electrical braking that never wears out or needs adjustment.

FAST, FULLY CONTROLLED REVERSING—V★S Drive reverses almost instantly even from high speed. Frequent reversals present no problem. Reversal may be from low to high speed, or vice versa.

INCHING, JOGGING, CREEPING—V★S Drive provides inching, jogging, and creeping, for setting up, threading, positioning, or inspection. Operator can slow down a machine for inspection, then accelerate quickly and *exactly* to previous working speed.

ABSOLUTELY UNIFORM TENSION—V★S Drive maintains proper tension for roll-fed materials so that quality is unvarying throughout and all finished rolls are uniform. Succeeding operations are simplified and productivity of machines is increased. Shutdowns and rejects due to breakage of material, or fluctuations in quality, are virtually eliminated.

MULTI-MOTOR OPERATION—The V★S system makes it possible to apply power to two or more points in a machine or to operate separate sections of a machine tied together as a process. Speeds of motors can be synchronized to any desired degree.

D-1455

The Most Effective Method of Power Transmission in Industry! Write today for V★S application information and selection data. Ask for Bulletin D-2311.

RELIANCE ELECTRIC AND ENGINEERING CO.

1069 Ivanhoe Road, Cleveland 10, Ohio • *Sales Representatives in Principal Cities*

DOW CORNING SILICONE NEWS
NEW FRONTIER EDITION
TWELFTH OF A SERIES



Tall Tale

Take Paul Bunyan now, he was born to do big things. Outgrew his first cradle in a week, and his second an' third before they was even finished. Finally put him in a twenty-foot trough his old man built overnight and anchored off Kittery Point. But Paul got restless out there and rocked so hard he made a tidal wave that swamped towns from Bath to Bangor. Hearin' folks talking about what to do with him, Paul wades ashore and disappears into the tall timber, wearing his cradle like a cap.

to Fabulous Fact

Same's true of silicones. Ever since they were born in a laboratory at Corning Glass Works, silicones have outgrown their kettles and stills faster than Dow Corning could build them. And we've built them fast. Productive capacity was doubled, redoubled and doubled again in the first eight years. We're celebrating our Tenth Anniversary by building new plants faster than ever because engineers have learned that silicones make the impossible practical.

They're among the Fabulous Facts of our times . . . facts that match the tall tales retold in these columns and assembled now in a useful *new SILICONE booklet entitled*

Tall Tales and Fabulous Facts

Like the tall tales our ancestors told to make the dark forests and endless plains seem less overwhelming, silicones happily resolve complex problems in design, production and maintenance.

First in Silicones
DOW CORNING CORPORATION
Midland, Michigan

Mail this Coupon TODAY for your FREE Copy of Tall Tales and Fabulous Facts

Dow Corning Corporation • Department E-6 • Midland, Michigan
Name_____ Title_____
Company_____
Address_____
City_____ Zone____ State_____

New York 17, N. Y. is not mentioned in your Personal Business column [BW—May30'53,p143]. . . . NIB is the instrument of 1,700 Community Chests in America. . . .

R. VANCE STONE
PRESIDENT
COMMUNITY CHEST OF BRISTOL, TENNESSEE-VIRGINIA
BRISTOL, TENN.

• We were fully aware of the existence of the agencies mentioned above, but for space reasons, we couldn't mention them all. The workings of a local Better Business Bureau were covered last week (BW—Jun.20'53,p84).

All Taxes Hurt

Dear Sir:

In the latest issue of BUSINESS WEEK *[BW—May30'53,p160] you disagree with the President on the need for keeping the excess profits tax in effect until the first of next year. While I cannot argue with you that many features of the tax are basically "pernicious and discriminatory," I can argue that the pernicious aspects of the tax are outweighed by its value as a further step to a balanced budget.*

Secretary of Treasury Humphrey backed up the President when he said that continuing the tax was the "wise and sensible thing to do—that the additional monies derived would be $1-billion (certainly not a "relatively small yield" . . . and that this revenue would go a long way toward attaining a balanced budget).

As to its contributing to inflationary trends, I fail to see how this would affect the economy to any significant degree, especially in view of the Administration policy (so adequately described in your May 9 issue, page 200) of tightening up the money market. This action went far to taking the inflationary wind out of the economy's sails. The Administration obviously regards EPT primarily as a means of garnering additional revenue, not as a counter-inflationary move, and I believe this is its basic purpose. . . .

It seems that the Administration has assessed the problem in an equitable manner, and the decision to retain the tax for another six months is a sound one. . . .

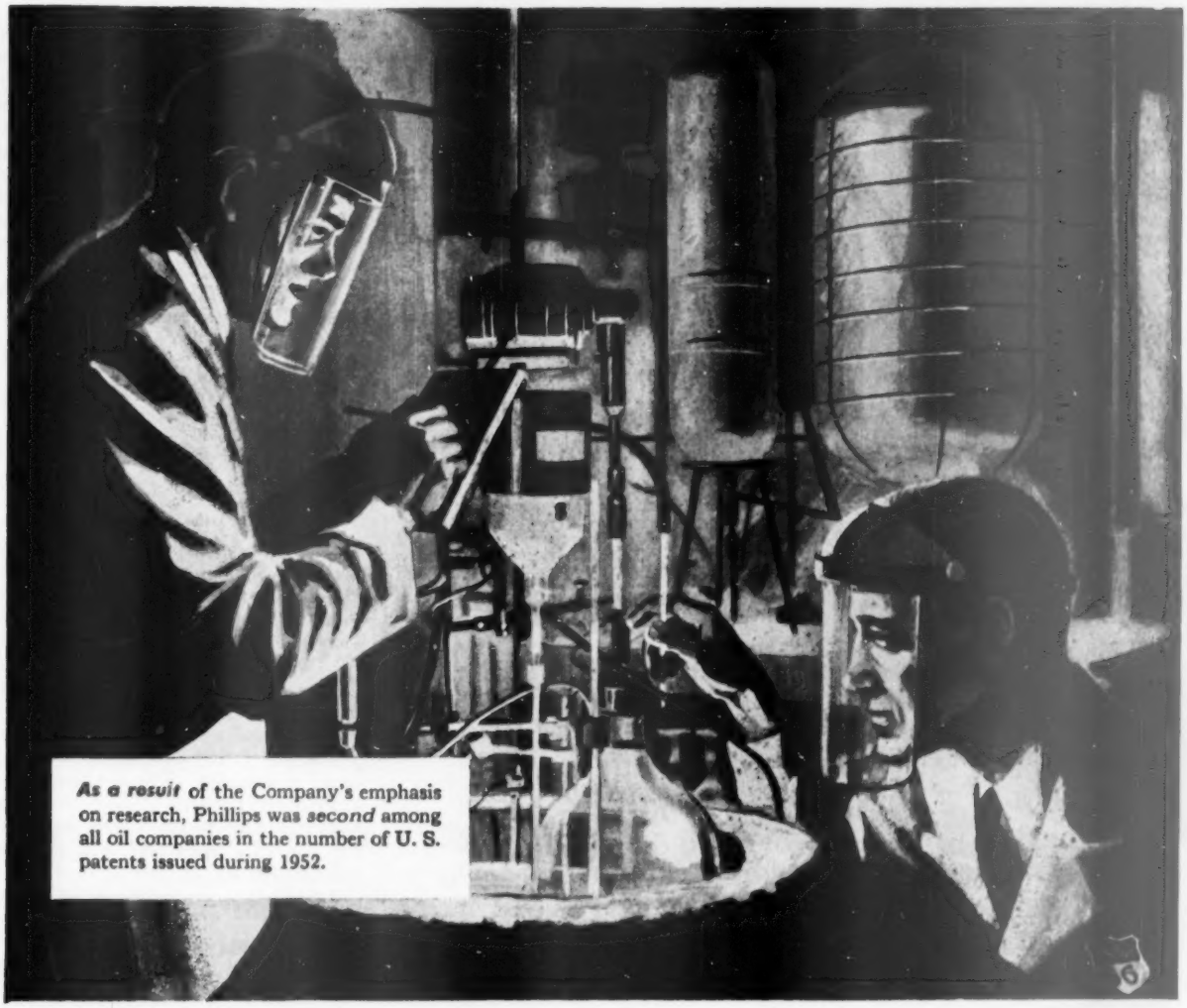
MILO MCCONACHIE
WASHINGTON, D. C.

It Floors Us, Too

Dear Sir:

It was a pleasure to see the item in Production Briefs for May 30 (page 46) stating that "Vinyl plastic is fast becoming one of the hottest items in the flooring industry."

I would like to add that vinyl plastic



As a result of the Company's emphasis on research, Phillips was *second* among all oil companies in the number of U. S. patents issued during 1952.

"Wildcatting" ON THE FRONTIERS OF SCIENCE

"WILDCATTING" is an oil man's term for drilling exploratory wells in new areas.

Locating and drilling wildcat wells using the latest scientific aids is an important part of our business. And in our research laboratories, we practice another kind of wildcatting as we explore new methods of adding utility and value to petroleum raw materials.

Success of our technical wildcatting is evident in the more than 2,000 active U. S. patents now owned by Phillips. This ranks Phillips among the top three oil companies in number of patents owned.

Licensing arrangements make Phillips patents widely available to industry. Furthermore, through cross-licensing agreements, Phillips has ready access to thousands of patents held by others.

PHILLIPS PETROLEUM COMPANY

Bartlesville, Oklahoma

We Put the Power of Petroleum at America's Service

Phillips 66



TRUST TROSTEL



every specification is pilot-tested for *Production Quality*



Because engineered packings and oil seals often require special processing . . . Trostel designs and builds the production tools entirely within its own organization.

As soon as laboratory development is completed, Trostel engineers pilot-test the entire production operation in miniature . . . in order to ascertain the processing and tooling techniques which will retain *in production* all of the special properties and tolerances called for in the customer's specifications.



The result is a packing or oil seal that can be produced to laboratory quality standards . . . in quantities of hundreds, or hundreds of thousands.



A seal you can trust!

Illustrated Bulletin On Request

ALBERT TROSTEL PACKINGS, LTD., Lake Geneva, Wis.

Formerly Division of Albert Trostel & Sons Co., Milwaukee, Wis.

BRANCH OFFICES
NEW YORK
LOS ANGELES
SAN FRANCISCO
SEATTLE · HOUSTON
WORCESTER, MASS.

TROSTEL QUALITY

TROSTEL packings

asbestos tile is becoming one of the hottest items in the vinyl flooring field. To begin with, it was one of the pioneers in vinyl flooring and has had ample time to prove itself. It is more adaptable to all kinds of installations, both above and below grade, than most other vinyls. And to indicate its growing popularity, it is made by more flooring manufacturers than any other type in the vinyl field. . . .

C. B. WHITTELSEY, JR.
ASPHALT TILE INSTITUTE
NEW YORK, N. Y.

Old Idea with New Angle

Dear Sir:

On page 160 of the issue of BUSINESS WEEK of May 2, appears the following:

"As of this week, you can get a new kind of insurance policy to cover your personal belongings. It's called the Personal Articles Floater, covers such things as furs, jewelry, cameras, silverware in a single contract.

"This hasn't been possible before. Up to now, you have had to insure each item under a separate policy."

Upon reading this, I checked my policy and I find that apparently your writer is mistaken. The policy is called a Personal Property Floater and was issued by The Travelers Fire Insurance Co. It is a three-year policy dated July 10, 1950. . . .

I am not an insurance agent.

EDWIN J. GRAYSON
ST. LOUIS, MO.

• The BW item describes a more limited policy that is a new "package" coverage against all risks anywhere.

Less Work for Farmers

Dear Sir:

I have just been going through the article, Technology Takes Over the Farm—and the Farmer, in your June 6 issue (page 116) and came across the reference to the release of crop land for producing human food by substituting mechanical power for horses and mules. This is a very interesting and significant article. . . . After scanning it rather quickly, I would say it has done a very good job of pegging the various forces and influences which are shaping the course and direction of agriculture. . . .

Another section I want to take home and read carefully is the Special Report which begins on page 101.

As a matter of fact, you have so many interesting and significant articles these days, it gets to be a problem to keep up with them. . . .

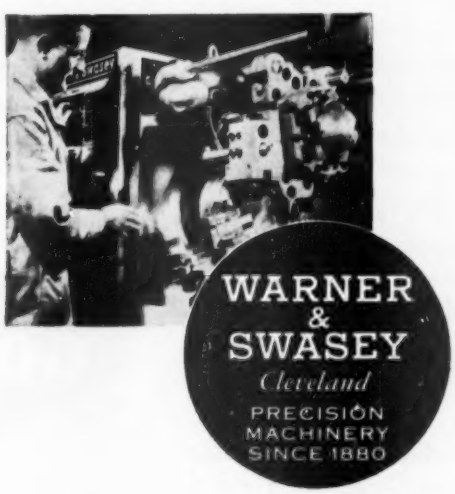
BERT S. GITTINS
BERT S. GITTINS ADVERTISING
MILWAUKEE, WIS.

America's muscle is getting old

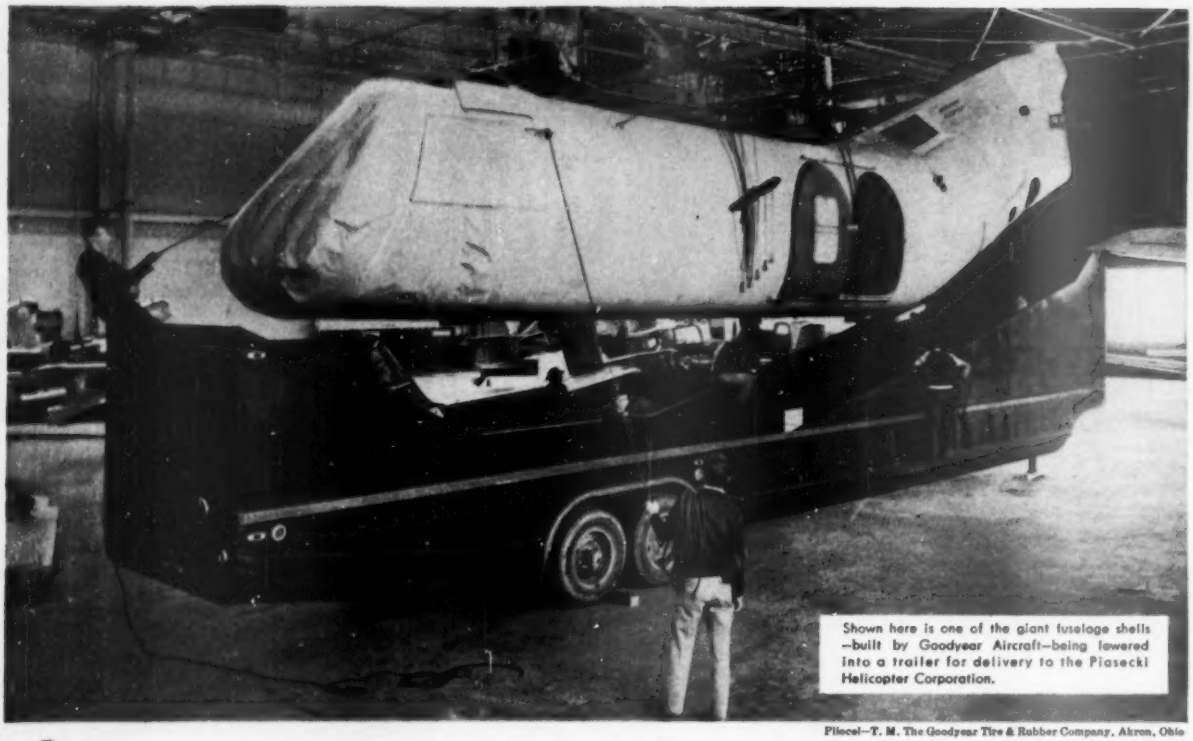
MACHINES make a nation strong – machines that produce weapons for protection and the things people need for living. America's machines are getting old; 43% of all machine tools are at least 10 years old.

For years, obsolete tax laws have made it impossible for most companies to set aside enough out of earnings, to keep their machines modern. Flabby muscles can turn a champ into a has-been. *Don't let it happen here.*

Statistics from American Machinist



YOU CAN PRODUCE IT BETTER, FASTER, FOR LESS WITH WARNER & SWASEY MACHINE TOOLS, TEXTILE MACHINERY, CONSTRUCTION MACHINERY



Shown here is one of the giant fuselage shells —built by Goodyear Aircraft—being lowered into a trailer for delivery to the Piasecki Helicopter Corporation.

Pliocel—T. M. The Goodyear Tire & Rubber Company, Akron, Ohio



SKIN FOR A FLYING BANANA

AMONG helicopters, the 14 to 20 place, tandem-rotored Piasecki H-21—known as the "Work Horse" — has a greater load-carrying capacity than any other helicopter in U. S. military service.

For this ship, Goodyear Aircraft Corporation builds the complete fuselage shell and supplies brakes and both Pliocel and bullet-sealing fuel tanks.

In 1950, Goodyear Aircraft teamed with Piasecki for the engineering of the original "Work Horse" fuselage—applied its manufacturing experience and ability in various fields to save weight and solve many of the problems attendant to the design of this famous rescue and utility transport.

This engineering and production is typical of the teamwork being done by Goodyear Aircraft Corporation for practically every member of the aviation industry. Whether the job is one of building components, air frames or complete aircraft — Goodyear stands out as America's most versatile aircraft manufacturer.

For complete information, write today: Goodyear Aircraft Corporation, Dept. 65, Akron 15, Ohio.

GOODYEAR AIRCRAFT

★ PROUD OF ITS PART IN AVIATION'S 50 YEARS OF PROGRESS ★

We think you'll like ***THE GOODYEAR TELEVISION PLAYHOUSE*** *— every other Sunday — NBC TV Network*



Photo courtesy of International Salt Company

He's carving you a hunk of NEW BUSINESS

Here, one thousand feet underground, a man shears a vein of salt with a blade that cuts nine feet deep.

Some of this salt ends up on the dining room table. Thousands of tons of it are made into chemicals—the "building blocks" of today's and tomorrow's products.

Nearly everything you eat, drink, wear, and use is made possible with the aid of one or more chemicals that come from salt—chlorine, caustic soda, muriatic acid, and a host of others.

There is no end in sight to the new products and processes using these chemicals, from which new business profits are coming.

If you are in manufacturing, you'll do well to think about these "building blocks". Consider the tremendous abundance and low cost of the salt from which they are made. The experience built up through 50 years of supplying basic chemicals and intermediates to industries such as yours. The research that goes on and on, unlocking the secrets in salt, to help you plan—*today*—for tomorrow's new business.



What chlorine and alkali chemicals are doing for industry
Free 24-page illustrated booklet tells in nontechnical language how industry is using chemicals made from salt. Also lists Hooker products and processes. For your copy, write us at 21 Forty-Seventh Street, Niagara Falls, N. Y.

From the Salt of the Earth

HOOKER ELECTROCHEMICAL COMPANY
NIAGARA FALLS • TACOMA • NEW YORK • CHICAGO • LOS ANGELES

HOOKER CHEMICALS



MAYFAIR AIR CONDITIONER
for commercial establishments
Another example of
AMERICAN-Standard
Leadership

New cooling unit helps summer business by providing comfort for employees and customers

● The new Mayfair air conditioner provides summer comfort for commercial establishments of many types. It controls air temperature, humidity, ventilation, cleanliness and circulation. Extremely compact —requires only 22″ × 25″ of floor space—this modern unit can be located within the conditioned area, or outside the area using suitable ductwork to convey the conditioned air into the space to be cooled.

Available in 2 and 3 horsepower sizes—larger sizes to be added later —the Mayfair air conditioner is a self-contained unit with a hermetically-sealed refrigerant circuit. It can be used singly or in combinations to handle various cooling loads. Year 'round air conditioning is possible with the addition of a heating coil in the unit connected to an existing source of steam or hot water.

The Mayfair air conditioner is another of the many contributions American-Standard has made to help make your home and place of business more comfortable, convenient and healthier for you, your family, your employees and your customers.

AMERICAN-Standard

American-Standard Products

American Radiator & Standard Sanitary Corporation, Dept. BU-63, Pittsburgh 30, Pa.

Serving home and industry

AMERICAN-STANDARD • AMERICAN BLOWER • CHURCH SEATS & WALL TILE • DETROIT CONTROLS • KEWANEE BOILERS • ROSS EXCHANGERS

BUSINESS OUTLOOK

BUSINESS WEEK
JUNE 27, 1953



Business will be good the rest of this year—better, probably, than a great many people had been expecting.

And the year as a whole, statistically, will set a postwar high.

Such statements, though, are booby trapped. They hardly guarantee rising output. In fact, production indexes—inching downward now—can slip quite a few points and the 1953 average still will be a peach.

•

We're now closing the biggest quarter on record for physical volume of output (barring the unnatural marks posted during World War II).

The Federal Reserve's index for the second quarter probably will be 241. That noses out the first quarter's record of 240.

But note the inconsistency: Output was rising sharply throughout the first quarter; it was edging downward during the second.

A few lines are in a slump. Over-all records, to them, are hollow.

•

Activity in the last half of the year could be deceptive, like the second quarter's record—only more so.

Suppose the Federal Reserve's index number in December is 230, as against 240 now. The year's average then would work out to about 235, up from 220 in 1951 and 1952 (not to mention 192 for 1948).

A slow, but steady, decline the rest of the year would be masked by the over-all statistics.

The moral is this: You can't pay your bills with the all-industry index number, no matter how handsome.

•

Business as a consumer and consumers in their own right can take bows for keeping business as healthy as it is.

You are familiar with the high level of business spending (it's your money) both for new equipment and for inventories.

You might also note this: Consumers have been laying out more than $14-billion (seasonally adjusted) each month at retail.

•

Confidence and momentum still are big factors in business, just as it appeared they would be at the year's start (BW-Jan.3'53,p17).

Confidence is sustaining both business and personal spending. These, with the high level of government outlays, supply the **momentum that will protect business against any sharp letdown in the second half.**

•

Today's economy is large—so large it is almost dazzling.

There will be nearly 63-million people working at this summer's peak. **Their pay will be the highest ever.** They will be turning out goods and services valued at more than $360-billion (annual rate).

Government (federal, state, and local) is paying for $82-billion of these goods and services. That outlay won't be cut much—even if business and individuals should decide to economize.

•

How much can business slide with government outlays so large? **That's the X in the business equation.** Theoretical answers may be available, but no practical experience is likely before next year.

Steel's day of reckoning still is around the corner. (That's the time when inventory gets comfortable, and users stop scrambling.)

You could tell that the day was not yet here by the ease with which steel's price increases went through. There was a minimum of grumbling on the part of most steel users.

Yet Iron Age figures their bill goes up $800-million a year (at present output rates) on a $9-a-ton boost in extras and base prices.

•

Nonferrous metals people may envy steel its price position, but they aren't suffering any drought of orders.

Business in copper, lead, and zinc is very good, in fact. The only complaint of producers is a very minor one: Consuming industries won't make forward commitments; they are just covering nearby requirements.

•

Copper, despite very large demand, has its problems.

At bottom, they may stem from the fact that it hasn't had any such price drop as took place in lead and zinc (historically, the three metals move more or less together). So:

- **Supplies** are backing up on one leading producing area, Chile. That country's 36½¢ copper is in no great demand in a 30¢ world market.
- Meantime **inventories** of domestic users have risen very substantially.

•

Use of copper in May (represented by the amount of red metal contained in products shipped by U.S. fabricators) was over 127,000 tons, continuing the very high rate of recent months.

Even so, **fabricators took in more copper than they used.**

Their inventories rose to almost 365,000 tons, largest since before Korea.

•

If you are following prices of nonferrous metals, you should note that the influence of the London market is dwindling.

More and more foreign buyers are basing prices on U. S. quotations.

This vindicates, to some extent, U. S. producers' contention that London markets were too narrow to be accepted as world price makers.

•

Supplies of rubber apparently are outrunning demand—even though use so far in 1953 seems to have broken all records. Anyhow, the price of natural rubber has dropped 5¢ a lb. (15%) **since January.**

This helps feed the rumor mill. Stories out of London indicate producers once again will seek an international deal to bolster prices as soon as a Korean truce is signed.

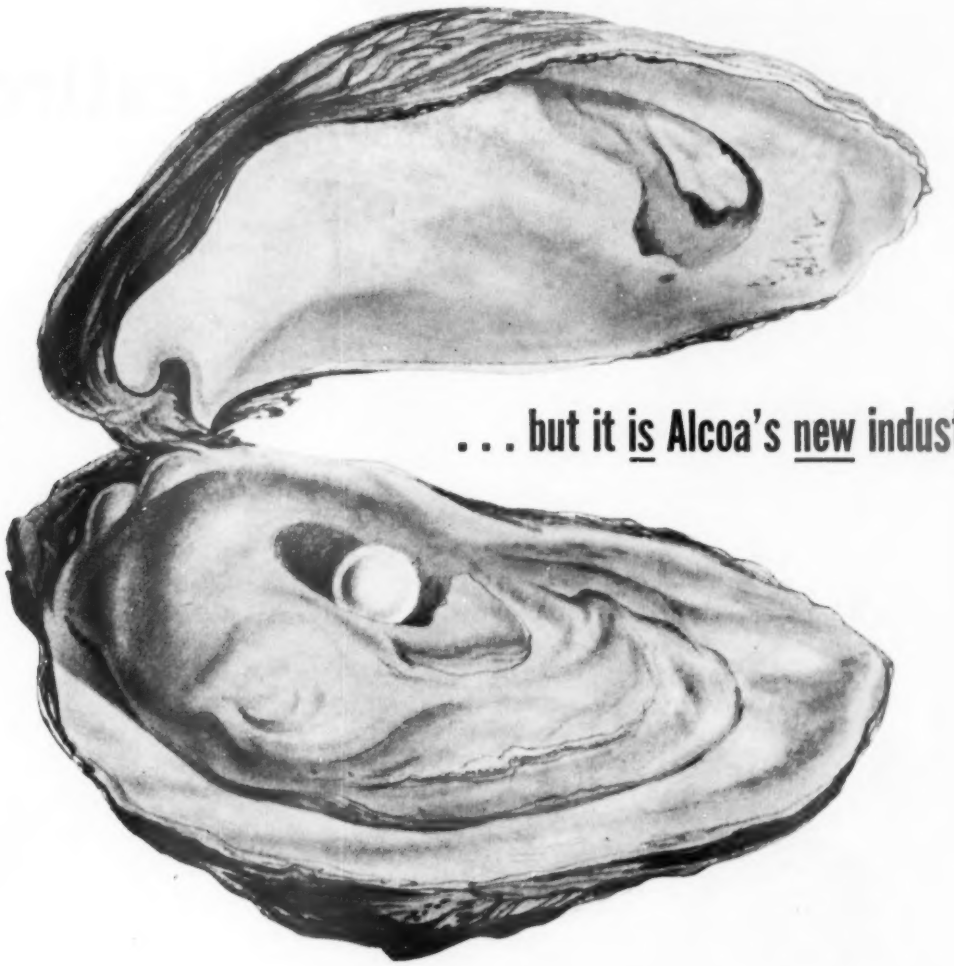
•

Auto output—still at an annual rate of about 7-million cars—is a mainstay for many raw materials, including rubber.

Tire manufacturers, for their part, must expect auto output to stay up there—or replacement sales to make up the difference—for they are talking second-half year rubber use almost as big as the first.

Contents copyrighted under the general copyright on the June 27, 1953, issue—Business Week, 330 W. 42nd St., New York, N. Y.

This isn't a Pearl



. . . but it is Alcoa's new industrial gem

Here is a *new* industrial treasure—ALCOA's latest and most efficient desiccant—*Activated** Alumina H-151 in ball form.

ALCOA Activated Alumina is the "old reliable" among drying agents, widely used throughout industry to dry liquids and gases to *lower* dew points than any other commercial adsorbent. It is commercially pure . . . highly inert . . . with high resistance to thermal and mechanical shock, crushing and abrasion. It can be completely submerged in water, yet not swell, soften or disintegrate, then be resurrected and reactivated to be good as ever! Now the new H-151 series provides *all* of these qualities plus *longer life . . . higher capacity . . . greater physical stability.*

It will pay you to investigate this new amorphous gel type Activated Alumina today. It offers remarkably outstanding properties to desiccant users. Call your nearest ALCOA sales office for data or write:

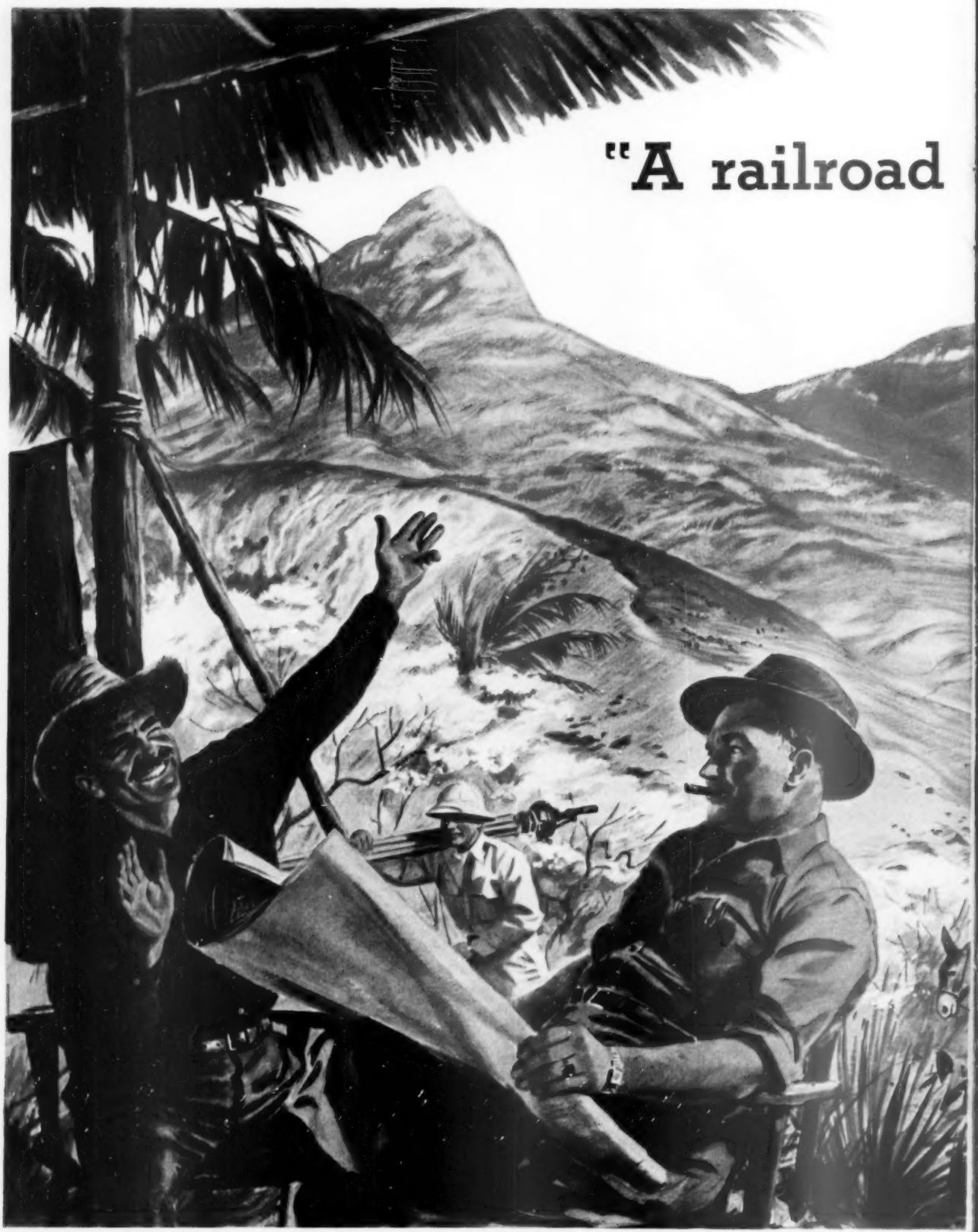
ALUMINUM COMPANY OF AMERICA, CHEMICALS DIVISION
700-F Alcoa Building, Pittsburgh 19, Pa.

Alcoa Chemicals

ALUMINUM COMPANY OF AMERICA

"SEE IT NOW" with Edward R. Murrow . . . CBS-TV every Sunday . . . brings the world to your armchair. Consult your newspaper for local time and channel.

*Registered Trademark, Aluminum Co. of America



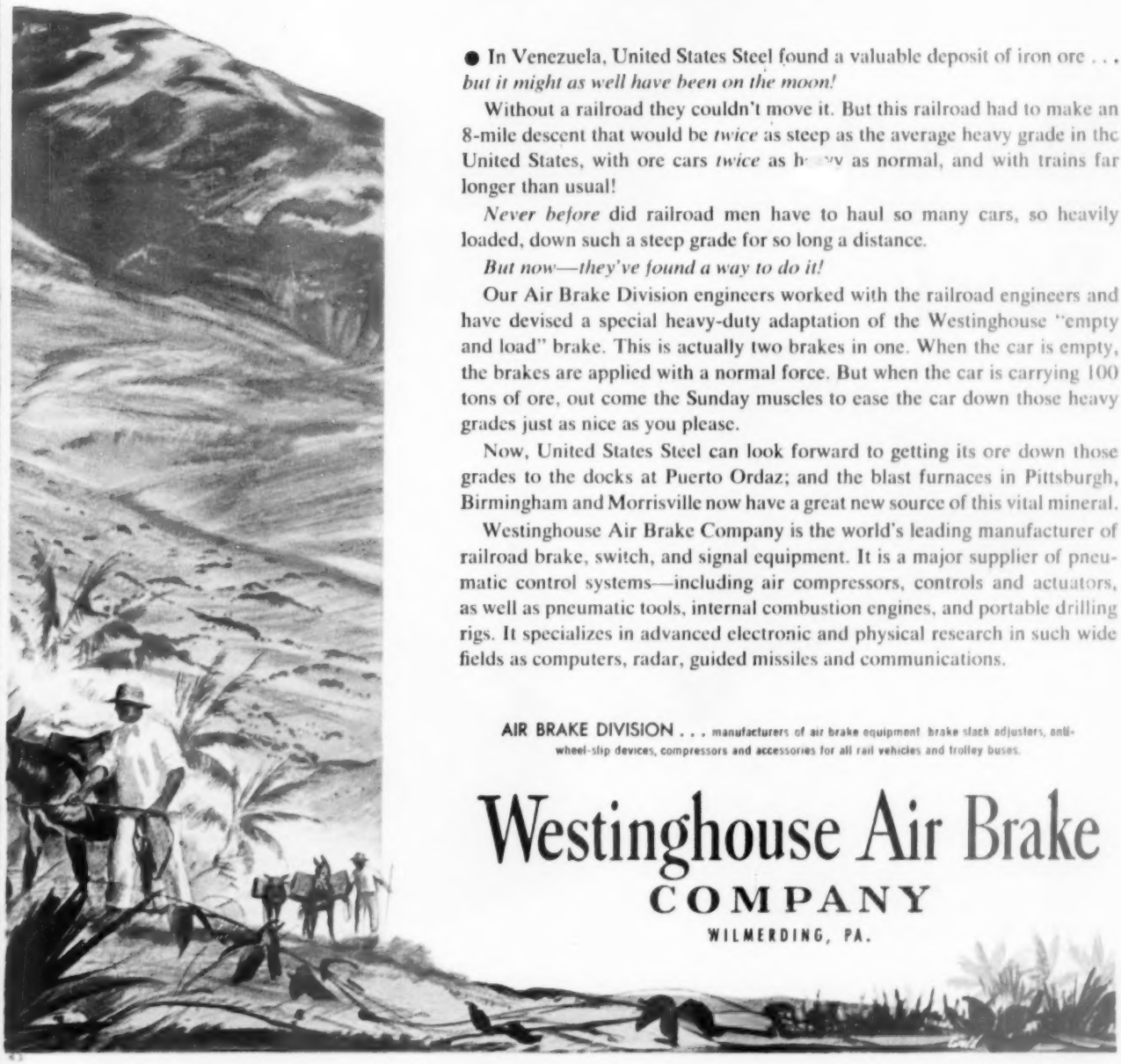
INDUSTRIAL PRODUCTS DIVISION . . . air compressors, cylinders, actuators, air control devices of all kinds; engineered pneumatic control systems.

UNION SWITCH & SIGNAL DIVISION . . . centralized traffic control, car retarders, automatic train control, train communication and interlocking systems and apparatus.

MELPAR, INC. . . . research design and manufacture of microwave communication systems and test equipment. Miniaturization and unitization of electronic gear.

down those mountains?

You're crazy, señor!"



● In Venezuela, United States Steel found a valuable deposit of iron ore . . . *but it might as well have been on the moon!*

Without a railroad they couldn't move it. But this railroad had to make an 8-mile descent that would be *twice* as steep as the average heavy grade in the United States, with ore cars *twice* as heavy as normal, and with trains far longer than usual!

Never before did railroad men have to haul so many cars, so heavily loaded, down such a steep grade for so long a distance.

But now—they've found a way to do it!

Our Air Brake Division engineers worked with the railroad engineers and have devised a special heavy-duty adaptation of the Westinghouse "empty and load" brake. This is actually two brakes in one. When the car is empty, the brakes are applied with a normal force. But when the car is carrying 100 tons of ore, out come the Sunday muscles to ease the car down those heavy grades just as nice as you please.

Now, United States Steel can look forward to getting its ore down those grades to the docks at Puerto Ordaz; and the blast furnaces in Pittsburgh, Birmingham and Morrisville now have a great new source of this vital mineral.

Westinghouse Air Brake Company is the world's leading manufacturer of railroad brake, switch, and signal equipment. It is a major supplier of pneumatic control systems—including air compressors, controls and actuators, as well as pneumatic tools, internal combustion engines, and portable drilling rigs. It specializes in advanced electronic and physical research in such wide fields as computers, radar, guided missiles and communications.

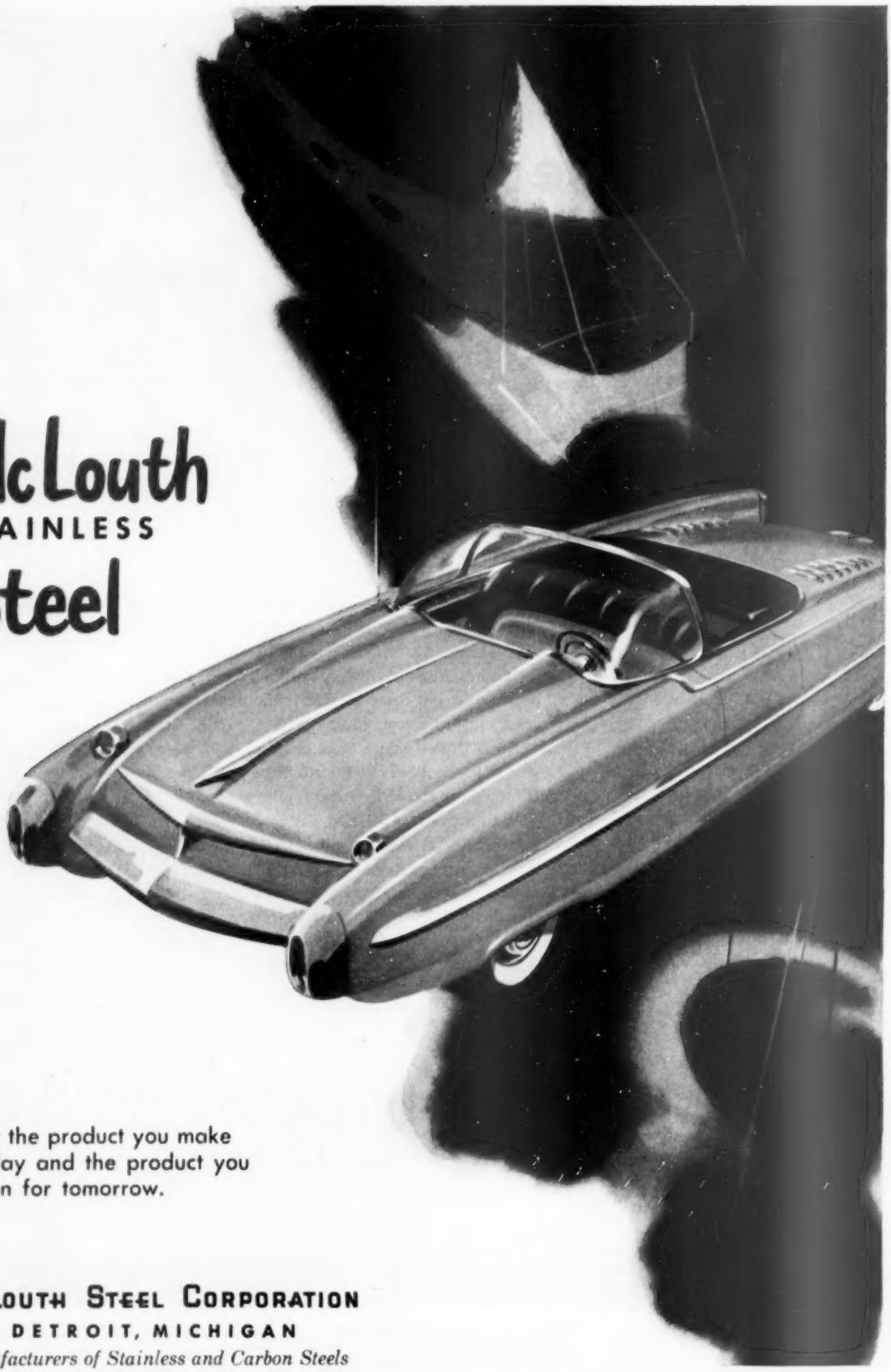
AIR BRAKE DIVISION . . . manufacturers of air brake equipment: brake slack adjusters, anti-wheel-slip devices, compressors and accessories for all rail vehicles and trolley buses.

Westinghouse Air Brake
COMPANY
WILMERDING, PA.

LE ROI COMPANY . . . internal combustion engines, portable air compressors, Tractair, rock drills for the construction and mining industries.

GEORGE E. FAILING COMPANY . . . portable drilling rigs for oil, water and mineral exploration and a variety of attachments and supplies.

LE TOURNEAU-WESTINGHOUSE COMPANY . . . earth moving equipment, including tractors, scrapers, haulers and similar devices.

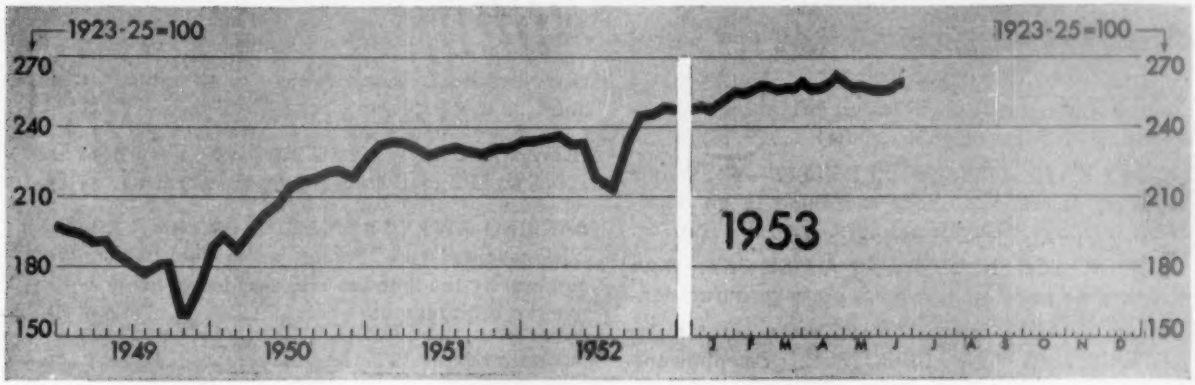


McLouth
STAINLESS
Steel

For the product you make
today and the product you
plan for tomorrow.

McLouth Steel Corporation
DETROIT, MICHIGAN
Manufacturers of Stainless and Carbon Steels

FIGURES OF THE WEEK



	§ Latest Week	Preceding Week	Month Ago	Year Ago	1946 Average
Business Week Index (above)	*261.2	†260.2	258.5	220.4	173.1
PRODUCTION					
Steel ingot production (thousands of tons)	2,235	†2,183	2,262	246	1,281
Production of automobiles and trucks	170,311	†166,832	162,447	129,317	62,880
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)	$57,307	$48,911	$45,158	$49,594	$17,083
Electric power output (millions of kilowatt-hours)	8,329	8,245	8,013	7,254	4,238
Crude oil and condensate production (daily av., thousands of bbls.)	6,470	6,477	6,360	6,155	4,751
Bituminous coal production (daily average, thousands of tons)	1,558	1,523	1,521	1,208	1,745
TRADE					
Carloadings: manufactures, misc., and l.c.l. (daily av., thousands of cars)	75	74	76	65	82
Carloadings: all other (daily av., thousands of cars)	54	55	54	40	53
Department store sales (change from same week of preceding year)	-4%	+6%	+6%	+9%	+30%
Business failures (Dun and Bradstreet, number)	167	167	156	151	217
PRICES					
Spot commodities, daily index (Moody's Dec. 31, 1931 = 100)	416.6	412.7	417.0	434.6	311.9
Industrial raw materials, daily index (U. S. BLS, 1947-49 = 100)	86.4	86.8	87.5	99.0	††73.2
Foodstuffs, daily index (U. S. BLS, 1947-49 = 100)	86.7	87.2	89.4	93.4	††75.4
Finished steel, index (U. S. BLS, 1947-49 = 100)	136.6	136.6	135.8	124.5	††76.4
Scrap steel composite (Iron Age, ton)	$42.17	$40.50	$38.67	**$42.00	$20.27
Copper (electrolytic, Connecticut Valley, E&MJ, lb.)	29.995¢	29.980¢	29.985¢	24.500¢	14.045¢
Wheat (No. 2, hard and dark hard winter, Kansas City, bu.)	$2.11	$2.21	$2.32	$2.30	$1.97
Cotton, daily price (middling, ten designated markets, lb.)	33.20¢	33.16¢	33.31¢	40.68¢	30.56¢
Wool tops (Boston, lb.)	$2.12	$2.12	$2.12	$2.05	$1.51
FINANCE					
90 stocks, price index (Standard & Poor's)	190.2	188.4	197.9	195.2	135.7
Medium grade corporate bond yield (Baa issues, Moody's)	3.89%	3.88%	3.79%	3.51%	3.05%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate)	2¼%	2¼%	2¼–2½%	2¼–2½%	¾–1%
BANKING (Millions of dollars)					
Demand deposits adjusted, reporting member banks	54,981	54,900	53,084	54,637	††45,820
Total loans and investments, reporting member banks	76,640	76,466	76,017	75,928	††72,036
Commercial and agricultural loans, reporting member banks	22,985	22,732	22,965	20,946	††9,299
U. S. gov't guaranteed obligations held, reporting member banks	29,528	29,383	28,822	32,850	††49,879
Total federal reserve credit outstanding	26,656	25,741	25,288	24,828	23,883

MONTHLY FIGURES OF THE WEEK		Latest Month	Preceding Month	Year Ago	1946 Average
Average weekly earnings in manufacturing	May	$71.05	$71.40	$66.33	$43.82
Retail sales (seasonally adjusted, in millions)	May	$14,425	$14,354	$13,850	$8,541
Cost of Living (U. S. BLS, 1947-49 = 100)	May	114.0	113.7	113.0	83.4

* *Preliminary, week ended June 20, 1953.*
** *Basing pt., less broker's fee.*
† *Revised.*
†† *Estimate*
§ *Date for "Latest Week" on each series on request.*

in BUSINESS this WEEK . . .

GENERAL BUSINESS:

END OF TWO-WORLD PATTERN marked by Rhee and German revolts. New era brings new problems, calls for major policy shifts.....p. 27

HAPPY DAYS FOR MOST RETAILERS—BUT major appliances and used cars are ailing in an otherwise healthy consumer market.....p. 30

CASTING FOR INDUSTRY AT A FISH FRY. New Hampshire town stages novel party to attract tenants for an empty plant.....p. 32

STEERING IN ONE DIRECTION. Eisenhower's new economic board has coordination function .....p. 33

HOW HARD IS IT TO BORROW? Very hard in spots, so FRB aims to stop interest rate rise...p. 34

BACKING AWAY FROM TIGHT MONEY. A lot of businessmen were beginning to feel the credit squeeze by the time the FRB decided to lower bank reserve requirements .....p. 34

Business Briefs .....p. 36

BUSINESS ABROAD:

EAST GERMANS SHATTER RED MYTH. Revolt is severe test for puppet Grotewohl regime....p. 118

SOCIALISM IN REVERSE. The stage is set for denationalization of British steel .....p. 122

OMAHA MEETS THE WORLD. "Trade, Not Aid" is promoted at Nebraska fair .....p. 124

COMMODITIES:

OIL INDUSTRY HEADS INTO A NEW KIND OF MARKET. Crude prices are upped despite relative abundance .....p. 70

TIDELANDS OIL won't produce oil fortunes overnight—if at all, warns NPC .....p. 77

COMPANIES:

SMALL BUSINESS: STEEL STYLE. Green River pulls off rare feat of breaking into steel industry....p. 88

COLONIAL MERGER. CAB examiner blesses union with Eastern, but board may favor National.....p. 92

AIRFLEETS: PROFITS FAR AFIELD. Odlum's company finally gets around to its original aim.....p. 94

FINANCE:

BIG LEAGUE TRUSTEES FOR "POOR" MAN. Commingled trust funds bring high-grade management to sub-$100,000 estates.....p. 60

EASIER FHA TERMS. Builders want them: The Administration is cool. Congress is thinking it over....p. 64

GOVERNMENT:

THE POST OFFICE DEPARTMENT: A BUSINESS TEAM IN THE POST OFFICE. Arthur Summerfield goes after the deficit of an old government whipping boy.....p. 98

REVAMPING FROM BELOW. Streamlining the postal service must start at the grass roots.p. 102

	Page
Business Outlook	17
Washington Outlook	39
International Outlook	129
Personal Business	151
The Trend	168
Figures of the Week	23
Local Business	142
Readers Report	8

LABOR:

UNION DEMOCRACY: TREND IN THE MAKING. Upholsterers' appeals board gives rank and file broader powers .....p. 132

T-H PROBELMS. Three groups seek coverage, aiming for action by next Congress .....p. 134

SLOW GOING FOR SECRETARY. Ex-steamfitter Durkin can't get up Labor Dept. steam.....p. 135

ADDED RAISES FOR THE SKILLED? Certain unions are getting them—reversing the trend.....p. 137

ANNUAL WAGE. USW lists guarantee as major demand on ALCOA, but may push review of wage pattern .....p. 139

MARKETING:

AIR CONDITIONING: BIGGEST YEAR YET. Industry sees gains of 80% on room units, 300% on year-round home systems.....p. 43

FREIGHT AGENTS GET TO SEE WHAT THEY SELL. Erie salesmen tour the system.....p. 48

TRUCKS SKID. Sales and output drop as problems pile up.....p. 50

NO APPLIANCE PRICE BOOST — YET. White goods makers ponder passing on steel increase.....p. 52

WHY CONSUMERS FEEL BULLISH is explained by Federal Reserve survey .....p. 59

THE MARKETS:

STOCKS SHOW MODEST SIGNS OF SWINGING BACK UPHILL.p. 144

PRODUCTION:

NEW TOOLS FOR GETTING OIL OUT. The deeper the drills, the more complicated the process.....p. 104

MOUTHFUL. Air Force figures it bit off too much, cancels orders for seven of its giant presses....p. 108

NEW PRODUCTS: .....p. 116

REGIONS:

ON THE ROAD TO A GHOST TOWN? Slumping lead and zinc prices brought a real depression to Park City, Utah.....p. 80

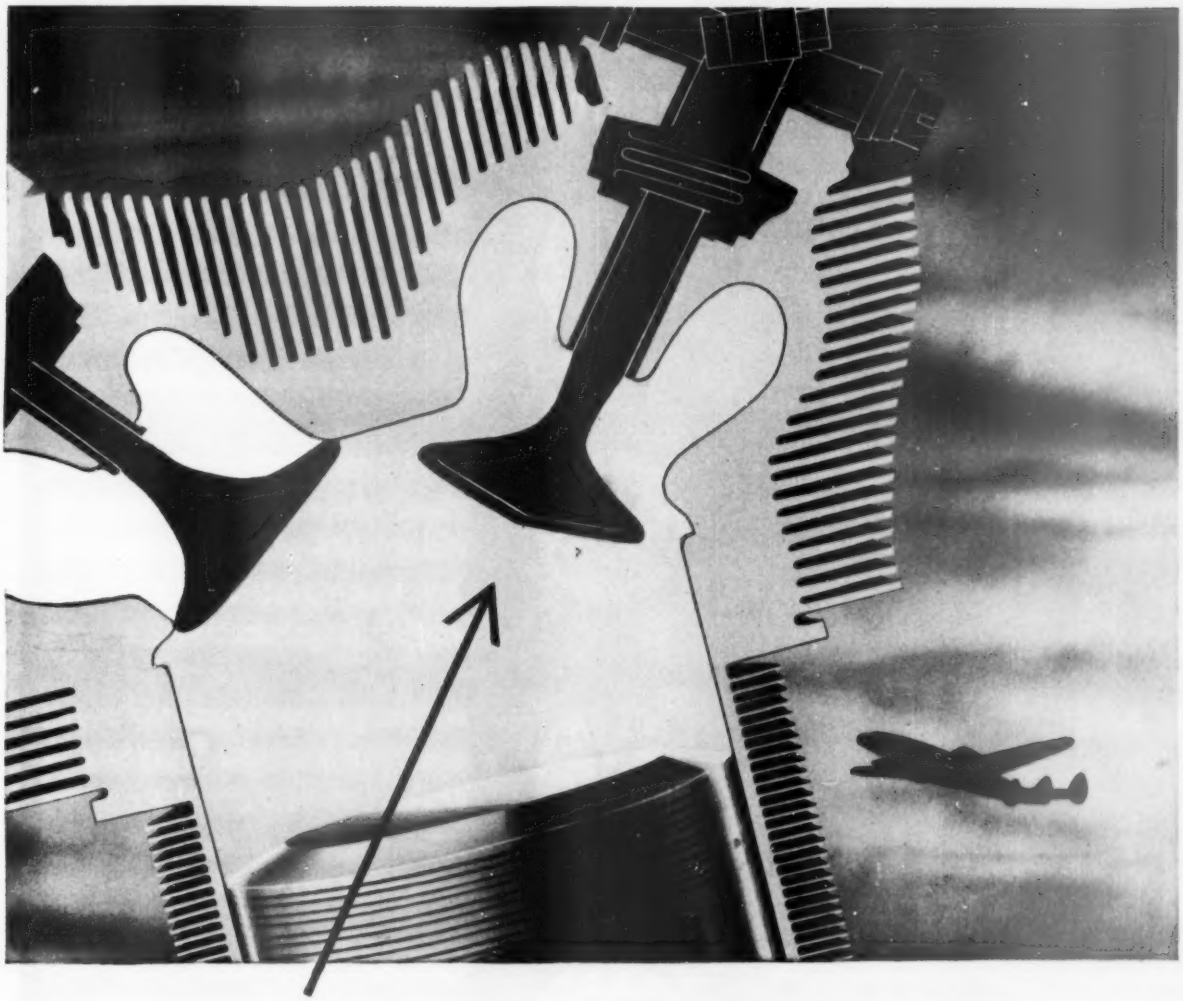
RESEARCH:

THE TWENTIETH CENTURY FUND (cover):

MAKING A CONTINENT A RESEARCH PROJECT. The fund starts a three-year, analytical study of Africa .....p. 154

NEW COURSE, NEW PILOT. The 34-year-old fund gets a new director, and there's new restlessness in the air .....p. 160

PATTERN: QUESTIONS LOOM ON BASIC RESEARCH.....p. 165



This valve is a Spendthrift

But it needn't be! Valve clearance trouble, with resulting fuel and power waste, is easily detected by the Sperry Engine Analyzer. By using vibration analysis to check each cylinder under normal operating conditions, valve clearances can be adjusted for smoother engine performance. Result . . . engines develop full power—run cooler—use less fuel—last longer.

Vibration analysis, exclusive with the Sperry Engine Analyzer, can be employed either in flight or on the ground. When using the Engine Analyzer, valve clearance can be easily checked at each inspection and overhaul—a profitable procedure for airlines and executive aircraft operators.

In addition to vibration analysis, the Sperry Engine Analyzer also provides detailed ignition analysis. It immediately detects, locates and identifies irregularities in aircraft power plants—either during flight or on the ground. Aside from saving ground maintenance time, the Engine Analyzer enables the flight engineer to maintain proper operating conditions at all times and prevents unnecessary component replacements.

Our nearest district office will give you complete data upon request.

SPERRY PORTABLE ENGINE ANALYZER

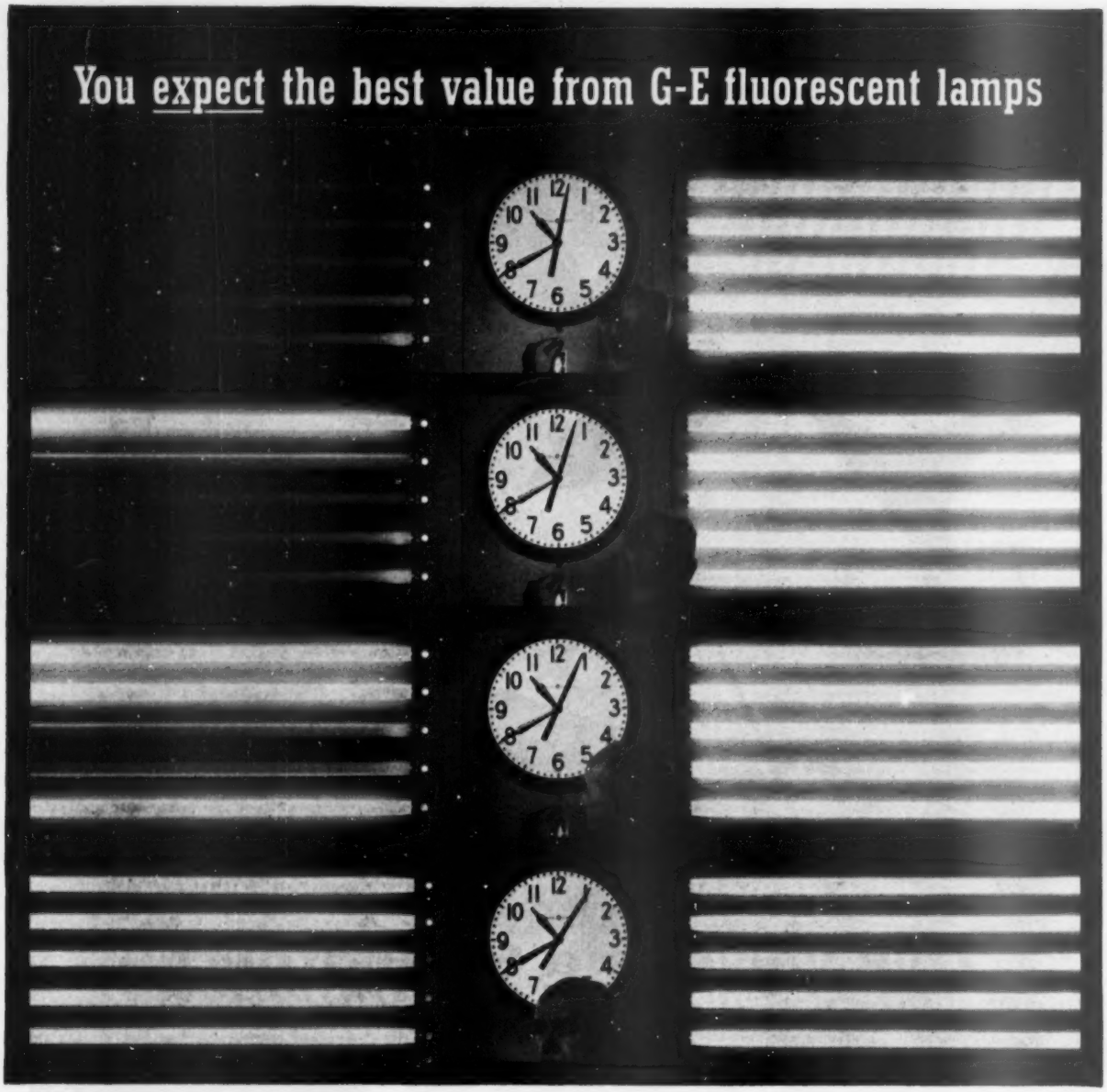


ENGINE ANALYZER IS MANUFACTURED AND LICENSED UNDER JOHN E. LINDBERG, JR. PAT. NO. 2518427. OTHER U.S. AND FOREIGN PATENTS PENDING.

SPERRY GYROSCOPE COMPANY
DIVISION OF THE SPERRY CORPORATION

GREAT NECK, NEW YORK • CLEVELAND • NEW ORLEANS • BROOKLYN • LOS ANGELES • SEATTLE • SAN FRANCISCO
IN CANADA • SPERRY GYROSCOPE COMPANY OF CANADA, LIMITED, MONTREAL, QUEBEC

You expect the best value from G-E fluorescent lamps



New G-E fluorescent lamp starts quicker, needs no starter



Watch the clock. Above are four unretouched photos taken about one second apart. On the left are regular fluorescent lamps, on the right the new General Electric *Rapid Start* fluorescent lamps. All were started at the same instant.

Within two seconds, all five G-E *Rapid Start* lamps are fully lighted. The regular lamps are only beginning to light.

Two new General Electric developments made the *Rapid Start* lamp possible: a special development of the triple coil cathode and a *Rapid Start* ballast that pre-heats the lamp automatically. No starter needed. No wait for pre-heating. Starting is almost instantaneous, maintenance simpler, cheaper.

Rapid Start lamps and ballasts are now available. You *expect* the best value from G-E fluorescent lamps. Here's one more reason why you can.

For free folder, "Facts About Rapid Start" write General Electric, Dept. 166-BW-6, Nela Park, Cleveland 12, Ohio.

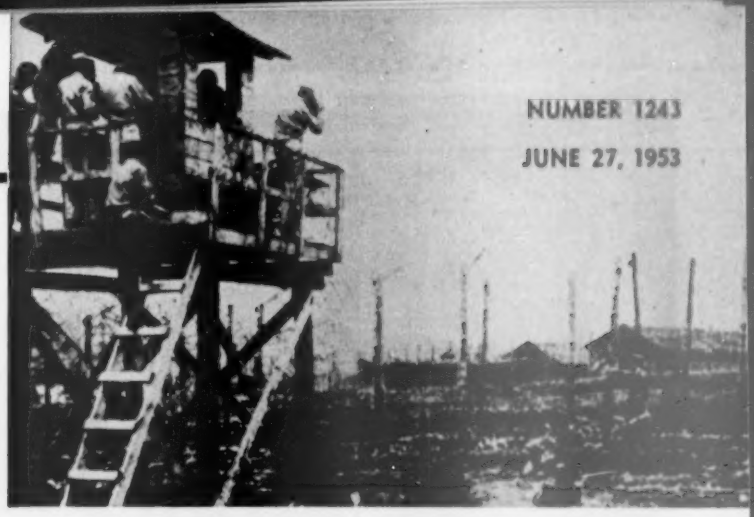
You can put your confidence in —

GENERAL ELECTRIC

BUSINESS WEEK

NUMBER 1243

JUNE 27, 1953



U. S. LOSES CONTROL in Korea as Rhee turns prisoners loose, threatens to fight on alone.



SOVIETS LOSE CONTROL in East Germany. Workers tear up red flag, insurrection spreads, a disaster for communism everywhere.



THIRD FORCE LOOMS in Europe, independent of U.S. and USSR. Churchill will try to steer it. All this means the . . .

End of the Two-World Pattern

(Story continues on page 28)



MALENKOV faces bankruptcy of Soviet policy in Eastern Europe.



ADENAUER tries to ride a surge for national unity in Germany.



DE GASPERI clings desperately to power in Italy.



FRANCE, with no leader, faces deep national crisis.

Across the World, the Chance of Peace Looks

A new kind of world is taking shape this week. It won't be dominated by the cold war we've known for the past six years; that's all but over. Nor will it be polarized to the same extent around the two postwar superpowers—the U.S. and Russia.

Two political explosions that occurred last week at opposite ends of the earth give the clue to the new situation—Syngman Rhee's defiance of the U.S. in Korea, and the East German revolt against Communist control (page 118). These events, like nothing else that's happened since the war, show that there are limits to the power of even the U.S. and Russia.

Where these two events will lead depends a lot on three things:

• Whether the Russians try to salvage something out of their German crisis by taking the lead in unifying Germany.

• Whether the U.S., if this happens, can take the initiative in weaning Germany away from Moscow, and also regain some of the prestige we have been losing elsewhere in Europe.

• Whether President Eisenhower can solve the Korean crisis, which threatens the whole U.S. position in Asia and the existence of the U.N.

After what happened last week, one thing is clear enough: Unpredictable and uncontrollable events can be set in motion by explosive human forces long pent up by the cold war. Such events are sure to play as large a part in shaping the new world as any negotiated agreements between West and East.

• **New Pattern**—As things look now, that new world will be more like the prewar world than like the two-power world we have lived in since 1945. It might turn out to be a four-power world—consisting of relatively independent power centers in the U.S., in Europe, in Russia, and on mainland China, with trade flowing somewhat more freely between democratic and Communist power centers than it does now. That wouldn't exclude a military link-up between the U.S. and Europe, such as NATO, or a continued alliance between Russia and Red China. But the U.S. would no longer be completely top dog in the democratic world; nor would Russia be in the Communist world.

It's barely possible, of course, that the reverse will happen. Events in Korea and East Germany just could bring the cold war back with a vengeance—if the East German revolt should lead the Kremlin to clamp down the Iron Curtain even tighter than Stalin did, and if the Chinese Reds should decide that Rhee has given them their chance to get all of Korea. Or, at the other extreme, Soviet difficulties in Germany might possibly cause the kind of explosive clash in the Kremlin that would in the end bring the whole Soviet regime tumbling down.

But this week the odds seem to be against either of these two extremes. They favor a new kind of international situation in which the danger of war would be far less than it has been—though U.S. policymakers would still face many confusing and difficult situations.

I. Defeat for Moscow

The workers' revolt that broke out in East Germany on June 17 (page 118) is a disastrous defeat for Moscow. It's a sure sign of the military and political weakness underlying the whole Soviet position in Eastern Europe (page 129). It shows the Russians how weak their rear would be in any invasion of Western Europe. And they now know how precarious their political control is bound to become in satellite countries like Poland and Czechoslovakia.

The East German insurrection wasn't engineered by the U.S., but it was a direct pay-off for our steady defense of West Berlin and our democratic occupation policy in Western Germany. If we had not stuck by Berlin, there could have been no blow for freedom in East Berlin last week.

• **Never the Same**—The Russians can quell the uprising, of course. But their position in East Germany will never be the same again. Moscow seems to have only two choices now: turn the screws on the East Germans even tighter than Stalin did and close up the Iron Curtain everywhere; restore order, then make real concessions to the East Germans, then follow up with a bid for German unification.

So far it looks as if the Russians plan to take the second alternative. And with good reason. A continuing reign of terror in East Germany would undermine the whole peace offensive of the Malenkov regime. It would mean more international tension rather than less. And it would make the rearmament of West Germany almost inevitable.

• **Want Unity**—Neither Russia nor the U.S. can afford to ignore the new political atmosphere in West Germany. Unity has become the theme song of all parties at Bonn. Now that the East Germans have shown their willingness to fight for freedom, no Bonn politician can put integration with the West ahead of unification. Even Adenauer, who has fought stubbornly for the European Defense Com-



DULLES must find new policy for Europe, salvage Korean truce.



RHEE threatens to undermine U. S. policy in the Far East.



HO-CHI-MINH sees chance for a Red victory in Indo-China.



MAO-TSE-TUNG plays a waiting game on the Korean truce.

Better—but New and Baffling Problems Face U.S.

munity, is now plugging the unity line.

There's a new mood of confidence among the West Germans. They feel that they will soon be running their own affairs, free of Western guidance. And they bitterly resent the way Russian troops, eight years after the war, have been shooting down their German relatives in the Soviet Zone.

These emotional currents are running strong and may be more important in determining the course of events than any calculations of what is to Germany's advantage.

If the Russians now thwart this emotional demand for unity, the West Germans will forget their doubts about rearmament, start building a military machine in a hurry—either as a part of the European Defense Community or on their own. And that's just what the Russians have been trying to prevent.

For reasons like these, many West European observers and a few in the U.S. are convinced that Moscow must push ahead with German unification, even though it means withdrawal of Soviet troops from East Germany and the destruction of the Communist Party there.

The Russian position in Germany is now untenable; all the Soviets can do is push for unification on the best terms they can get.

II. The U.S.' Problem

Pulling out of East Germany would be a big retreat for the Russians. It might turn out to be the first step to a withdrawal from all of Eastern Europe. But it wouldn't help the U.S. much if it were Moscow, rather than Washington, that steered the unification process.

If German unity is to be the Russian game, the U.S. will have to decide soon what to do about the plan for a European army—EDC. We face a fearful dilemma. On the one hand, we can't afford to be branded as the champion of a divided Germany and of a joint European army that Europe doesn't want. On the other, we don't dare scrap EDC until we're sure that German unification is going through on terms that we can accept.

• **Two Horses**—In a situation like this, the U.S. clearly needs to find a diplomatic formula to put us ahead of Moscow on German unity and still allow us to keep EDC in reserve. It will be hard to ride these two horses at the same time, since they are pulling in opposite directions. But unless we can, the Western Powers could lose the initiative in Germany. Finding the right formula will be one of the jobs Eisenhower, Churchill, and a French premier will have to tackle at the upcoming Bermuda conference.

Toughest problem: to bring France in line with U.S. and British thinking on unification. If Germany is to be unified, the French would like to go right back to Potsdam with its tight four-power control. And that's probably what the Russians will shoot for. But the Germans won't stand for that, and neither will the U.S. or Britain. So there's a real danger that the Russians can play the French and Germans off against each other.

• **Policy Shift**—Backing German unification would mean a drastic shift in U.S. European policy. From the start, Washington has been the chief promoter of West European integration. But German unity means an end of military and political integration, perhaps even of the Schuman coal-steel pool. France is too weak now to tie itself in with a united Germany.

• **Dead End**—It has become increasingly clear that U.S. policy in Western Europe has come to a dead end, in any case. What has happened is this: From 1948 to 1950 our policy of building strength in that area worked reasonably well, while the emphasis was on the economic side.

With Korea, the emphasis shifted to the military side.

Throughout, the policy rested on two foundations—fear of Soviet attack on the one hand, and U.S. support on the other.

By a year ago, Western strength had reached a point where the Europeans felt there was no longer any real danger of a Soviet attack. And at about the same time both Europeans and Americans realized that economic aid was no longer serving a useful purpose. The foundations of the policy are undetermined, and the U.S. has found it increasingly hard to get Western Europe to push ahead with its defense program. The ties between the U.S. and Western Europe had already started to loosen before Stalin's death last March.

Since Stalin's death the new Soviet regime has hastened the process by convincing most Europeans that (1) Russia wants a long period of peace, and (2) there is a good chance of expanding East-West trade. At the same time the U.S. itself has started to cut defense spending.

• **Signs**—You can see the signs that the U.S. and Western Europe are drifting apart:

• In the Italian elections, de Gasperi's pro-American center coalition failed to get a workable majority.

• In Germany, Adenauer's coalition could easily go down in the Sep-

tember elections; in this case there is a strong democratic opposition to take over, but it wouldn't be so pro-American as the Adenauer government has been.

• In France, the middle-of-the-road regime is breaking up; in the process France is without a premier and may still be when Eisenhower and Churchill meet in Bermuda on July 8. This is more than the typical French political crisis. France no longer has the strength to be a world power, but no government can be formed that's willing to accept the consequences of this fact.

• **Power Balance**—Sir Winston Churchill spotted this general trend in Europe some time back, began warning Washington of it early this year. Then, with Stalin's death, the British Prime Minister thought he saw a chance to get an accommodation with Russia based on a new balance of power—with the U.S. continuing to support Western Europe against Russia but also prepared to hold back a rearmed Germany from attacking Russia. Apparently Churchill sees Western Europe playing a more independent role—but not as a true third force. He knows that if NATO disintegrates, nothing can take its place.

Sir Winston still wants the West to talk with the Russians, but apparently he's thinking now in terms of the Big Four foreign ministers getting together, rather than the heads of state. He is realist enough to know that the East German revolt has drastically changed the whole German problem and that Rhee's defiance of Eisenhower in Korea has changed the outlook for a Korean truce.

III. Trouble in Asia

At midweek, there was still no telling whether the U.S. could patch up its differences with Rhee sufficiently to salvage a Korean truce. There were reports that Assistant Secretary of State Walter S. Robertson went to Seoul with a warning to Rhee that the U.S. would cut off all military aid unless he backed down. The U.S. has started sending reinforcements from Japan to Korea.

But U.S. officials don't have the same confidence they had a while back that we have enough control over the ROK army simply to ignore Rhee. Technically, we don't need Rhee's O.K. to sign a truce; the Chinese Reds might go along if the U.S. accepted the responsibility for carrying out its terms. Still, if Rhee broke the truce agreement after it was signed and the Mao regime in Red China chose to take advantage of that, the U.S. might be faced with two grim choices: to continue the fighting in Korea; or to pull out and leave the South Koreans to go it alone.

It's doubtful if the U.S. could get any sort of U.N. backing for the first course. Any breakdown of the truce talks that led to renewed fighting might well destroy the U.N. for all practical purposes.

On the other hand, if U.S. and other U.N. forces pulled out of Korea, that would be an equally damaging blow to the U.N. And it might give the U.S. a worse black eye in Asia, especially in Japan, than to keep fighting.

• **Indo-China**—Any Korean truce fiasco would make it more difficult for the Eisenhower Administration to handle the crisis that is blowing up in Indo-China. Here, the U.S. cannot possibly avoid a difficult choice. For the French are all set to toss this war into our lap at the Bermuda meeting.

The French attitude seems to be this: France is finished in Indo-China no matter how the fighting goes. So there is no percentage in the war for the French. If it's to be a case of holding back communism, that's a job for the U.S., the only nation that can afford it.

At a minimum the French will ask the U.S. to pay most of the costs for the Indo-Chinese war, something like an additional $1-billion a year. Paris may even ask us to take over the whole thing, lock, stock, and barrel.

Even France's minimum terms will be hard for the Eisenhower Administration to swallow. It might be possible to get the extra money from Congress if there were any assurance that it could bring victory. But after the French performance in Indo-China over the past five years, no such assurance would be possible.

On the other hand, unless the U.S. does something decisive in Indo-China, it looks as if the French will make a deal with Ho-Chi-Minh for a coalition regime—a merger of the native Viet Nam government and Ho's Viet-Minh setup. That would be almost the same as turning the country over to the Communists.

• **Not Easy**—Add it all up, and you have this picture:

• In Asia, the U.S. position is bad, thanks partly to Rhee and partly to French weakness. If the Korean truce blows up completely, the U.S. will have a really dangerous crisis on its hands.

• In Europe, the Russian position has been greatly weakened by the East German revolt. But unless the Malenkov regime cracks under the strain, only a new U.S. policy on Germany can really take advantage of the new situation.

• Over the world, new power centers are emerging.

A new kind of world may be taking shape, but it won't be an easy one for the U.S. to live in—not for a while at least.

Happy

• Dealers in used cars and big appliances are sad.

• Seasonal stuff is moving slowly where hot weather arrived late.

• Over-all, though, it looks like a gain of 5%-10% over last year.

Fit the jigsaw of retailing reports together and, for the country as a whole, you see a pretty picture of increasing business. But take that picture in detail and you notice some disturbing dark spots—big and important spots such as autos and appliances.

The spots show up regionally, too: Retail trade looks generally worse in the Pacific Northwest than in the rest of the country; it looks better in the Midwest; New England plods along on a no-boom-hence-no-bust basis. The widest variation, though, is by sales line: Most soft goods are up; most hard goods are down.

• **Rosy and Blue**—As you would expect, retailers ran the gamut in telling BUSINESS WEEK reporters this week how their business was doing.

"It's just like Christmas," said a Chicago house furnishings man.

"Business has been so good that I have to pinch myself every morning," echoed a Windy City auto dealer—repeat, auto dealer.

"Look out this fall—the marginal boys will be gone by spring," said a West Coast auto dealer, president of his state trade association.

"Department store sales here have been so good that Washington has even questioned the accuracy of the figures," a Midwest storekeeper said.

• **Whither?**—With reports so conflicting, it's hard to pick out a pattern—but it's by no means impossible.

Reasons for the regional variations show up clearly: unseasonable local weather, strikers in dominant industries, population shifts. Cancel those out then, and you find:

• Retail sales, over-all, run 5% to 10% above last year.

• These figures would be even higher if it weren't for the drag of TV sets and used cars, the sourest lemons in most localities.

• Appliances range from hot air conditioners to cold dishwashers.

• Apparel and house furnishings are much better than last year—but last year was terrible.

Days for Most Retailers—But . . .

• A more cautious approach to consumer credit by lenders is holding down sales, but only for buyers who are already overextended in their installment contracts.

The pattern has to be studied in the full knowledge that (1) sales of summer goods ran high in last year's abnormal heat in most parts of the country, and (2) appliance sales particularly boomed a year ago when Regulation W—credit control—expired.

I. Autos

"The present overproduction by some auto manufacturers is going to bankrupt a lot of dealers—and it's not too long off," said a St. Louis dealer. He voiced the feeling of many dealers all over the country who fear they're joyriding for a crash—that they're selling new cars but only at cost of their future market and their present used-car market.

"We're making it so attractive to buy a new car now that buyers are stretching themselves to take advantage of it," one dealer theorized. "A man figures he'll never have more income than he has now and he can hang onto today's new car for five or six years. Boy, it's going to be tough to sell him a replacement a couple of years from now unless Detroit comes through with something sensational that makes his car obsolete!"

Moreover, dealers are offering such lavish overvaluations on trade-ins that it's uneconomical for anyone to buy a late model used car. This way, the dealers find themselves overstocked with used cars they can't sell.

• **Secondhand Market**—"Haven't seen business so bad in 17 years," said one used-car dealer. Used cars have skidded as much as 30% in price in Portland, Ore., and another 25% slide by year-end is expected there and in other cities.

"Unfortunately," a Cleveland dealer said, "used cars don't improve with age, like whiskey. And if we were to get a true report on used-car inventory in this town, we'd all faint. Every time I think of those cars sitting out on the lot and eating up my profits, I feel sick."

Used-car sales in Cleveland are running about equal to new-car sales—the traditional ratio is 2½ to 1.

II. Appliances

Retailers can sell air conditioners—if the weather is hot enough. And refrigerators—it's their big season. And low-priced TV—if television is new enough in the area. But there's a gimmick in nearly every sale.

One San Francisco store recently offered a free dishwasher with every clothes washing machine. That's an extreme example. But very often you can get a three-month supply of soft drinks with every refrigerator, or a Thermos pitcher with every portable radio. And you can get a trade-in allowance for any antique radio, TV set, or washing machine that's in working order—or even one that isn't.

The giveaway gimmick even applies to fast-moving items such as air conditioners. A Memphis dealer sourly estimated that four out of five air conditioners were sold cut-rate.

• **Shakeout**—One thing the fierce competition is doing: It's driving the department stores out of the big-tag appliance field. Department stores cite two reasons:

• Servicing can be a major headache, especially in TV and air conditioners. The only retail bankruptcy in Cincinnati this month was a TV servicing company; local stores found that fact significant.

• They're sick of serving as appliance display rooms for discount houses. A San Francisco store that devoted 12,000 sq. ft. of floor space to appliance displays reached a peak fury when it found that a nearby discount house was sending its customers to look at the store displays before ordering. "This tends to break a salesman's spirit," the store manager said.

• **What Sells**—Even so, the list-price retailers are generally doing well with air conditioners, window fans, portable and clock radios, and refrigerators. Freezers have cooled a bit. Dishwashers and garbage disposers haven't caught on, except as gadgets to sell new houses.

Retailers complain there are still too many dealers. Said a Syracuse man: "There are more places to buy an appliance in Syracuse than to buy a drink."

III. Stores

In most cities, apparel is ahead of last year. Clothes buying in Houston is described as a spending spree; last summer's money went into appliances, retailers say, while this year's is going to dress the family. A Cincinnati shoe store is 17% ahead of a year ago.

Tastes are changing, though. It's hard to sell a summer suit in Salt Lake City, for example; sport shirts and slacks are taking the play for business wear. And the demand for summer suits for men focuses everywhere on the new synthetic fibers.

• **Upgrading**—A distinctive mark of the season is the urge for high quality. Some retailers figure it's a sign that people who have money are spending it, while those who have to borrow or to count pennies are out of the market.

In Cleveland, the more expensive dresses are selling well. In Los Angeles, lingerie in the $20-$25 range moves fast while the $10.95 stuff lags. Two jewelers in Los Angeles agree the big demand is for sterling rather than plate, and jewelry is singled out as a hot item by a San Francisco specialty shop. Yet in Baltimore some of the biggest business is done in the bargain basement: in men's cheap suits, for example. And in Pittsburgh, volume in men's wear was down 20%.

IV. Consumer Credit

Installment credit is tighter. No question about that. Even where retailers advertise "no down payment," they're likely to twist the customer's arm to get at least a token advance. Loan agencies are quietly cutting down on the time to pay, too.

Tightness shows up best, of course, in the desperate used-car market, where dealers are admittedly scraping the bottom of the credit barrel. A social commentary by a St. Louis finance company: People who buy 1946-48 cars today are the worst possible credit risk. One loan company in the same city used to deal exclusively with second-hand car loans; six months ago it moved to the personal loan field.

A freak repossess problem faced by auto loan people comes from the big price concessions the dealers are making on new cars: A man pays on his loan for a year or so, then he finds he can get a brand-new car for less than the balance of his loan. He lets the loan company take his car and makes a new deal elsewhere.

• **Rejects**—A Baltimore bank takes a stern view of appliance financing, too. In May, it turned down 60% of all applications, compared with a normal 15%. However, some retailers lay this kind of turndown rate to the fact that more borderline credit cases are applying, rather than to a new policy of toughness.

Even so, two Memphis companies found repossessions running 20% ahead of normal, and a Portland (Ore.) bank noted an increase in delinquencies during May for the first time in its history for that month. A Los Angeles bank branch is conservatively carrying 30% fewer retail sales contracts than a year ago.



FISHERMEN: The town of Suncook, N. H., is fishing for new industries to fill an empty plant. To attract some, it staged an old-fashioned fish fry last week.



SMALL BOYS attended the affair, baited hooks and rubbed elbows with . . . . .



YOU CATCH 'EM: New plant tenant, Moody Dole, and wife give fish to . . . .



PLANT used to employ 700 workers. When Textron closed it, the company sent . . .

Casting for Industry at a Fish Fry

Suncook, N. H., describes itself as a tiny hamlet "off the beaten track of hurry," surrounded by wood, field, and stream. But this rustic environment hasn't dulled its citizens' sense of business. Suncook last week staged a publicity stunt that, in ingenuity of planning and smoothness of execution, matched anything ever dreamed up among the skyscrapers of New York.

The purpose of the affair was to attract new industries for a 240,000-sq.-ft. plant called the China Mill. It was once operated as a rayon mill by Textron, Inc.; but Textron closed it down last year, throwing 700 people out of work. The building was modernized not long ago, boasts air conditioning and fluorescent lighting. All it needs is tenants.

• **Welcome**—To lure some in, Suncook staged an old-fashioned fish fry. It had already lined up two tenants—New England Buff Co. (polishing wheels and textiles) and Dole-Suncook Co. (textiles)—and the stated purpose of the fry was to welcome them.

Cooperating with Suncook all the way was Textron itself. The company had assigned Laurence Plowman, one of its vice-presidents, to the job of helping the town find new industries.

Plowman helped officiate at Sun-



BIG WHEELS like Gov. Hugh Gregg of New Hampshire. Gregg caught first fish.



WE FRY 'EM operation on bank of mill race. Supplemental fare: hamburgers.



VICE-PRESIDENT Laurence Plowman. He helped the town find new employers.

cook's fish fry, along with a list of dignitaries that included two governors—Hugh Gregg of New Hampshire and Burton M. Cross of Maine.

Gregg was given the honor of catching the first fish. His catch was supposed to be a trout, since Suncook had previously trucked a load of trout from a nearby hatchery and dumped it into its mill race. Gregg didn't haul up a trout, but a dead cod that someone had hooked to his line.

Few people had any better luck than Gregg. Most dined on hamburgers.

Steering in One Direction

Eisenhower has a new economic policy board to keep all the government agencies working on the same line. Economic Adviser Burns heads it.

Up to now, U.S. presidents have had to play economics largely by ear. They've had to pick and choose from conflicting policies brought to them individually by heads of departments and agencies.

President Eisenhower has changed all this. He has organized an Advisory Board on Economic Growth and Stability already known as ABEGS. Its job: to watch for signs of sudden economic change—right now, for signs that the boom is over. It's also going to recommend policy to keep the economy prosperous. One meeting already has been held.

The board brings together top-level representatives of the most important economic policy agencies in the government.

From the regular departments there's Under Secretary of the Treasury Marion B. Folsom, Under Secretary of Agriculture True D. Morse, Under Secretary of Commerce Walter Williams, and Leo R. Werts, special assistant to the Secretary of Labor.

The Budget Bureau is represented by its assistant director, Paul L. Morrison, and the Federal Reserve Board by A. L. Mills, Jr., governor.

Eisenhower's administrative assistant for economic affairs, Dr. Gabriel S. Hauge, is a member.

Arthur F. Burns, who will be chairman of the reconstituted Council of Economic Advisers, will be chairman of ABEGS as well. This doubling up is the key to the whole concept of an economic general staff—which, roughly, is the new board's role.

• **Freshener**—It's an experiment—a major effort to freshen up the machinery of government.

In the move, Eisenhower is tackling two problems that have bothered every U.S. president for the past half century. First, presidents have had a hard time getting good information about the state of business. Second, they have had no assurance that all departments and agencies were following a consistent, unified economic policy.

• **Missing Links**—An obvious weakness is that there's nobody on the board to speak primarily for foreign trade, or to tie foreign policy and the business picture together.

The connection between the Federal Reserve and the new board is hazy. Both by law and by firm conviction of the Eisenhower Administration, the FRB is an independent agency. If it wanted to lower interest rates now, for example—at a time when Treasury thinks rising rates are a good thing for the economy—it could do so, no matter what ABEGS had to say on the subject.

Credit and money policy is thus going to remain outside ABEGS' reach. To that extent, the board falls short of complete unification of economic policy.

• **Potent Force**—Despite this, Eisenhower can make the new agency a potent force in government. He can simply refuse to consider any economic proposal that has not been studied and reported on—for or against—by ABEGS.

That would mean that when Agriculture comes up with a substitute for present farm price laws, its recommendations would go to the new board before they reach the President.

It would mean that Treasury's elaborate overhaul of the tax structure would first be subjected to ABEGS' scrutiny.

• **What's Behind It**—The board's twin functions—keeping track of economic trends and recommending policy—could be performed under present law by Burns and the Council of Economic Advisers.

But Eisenhower decided to split the policy-recommending function away from the council for three reasons.

He wanted to be sure that economic policy was backed up by the full weight of all government economic information, bringing in the separate departmental economic staff.

• He wanted to draw the administrative agencies actively into planning for over-all stability and growth.

• He wanted to remove the competitive element from economic policy-making by throwing policy recommendations into an interdepartmental board. Eisenhower thus hopes to close a gap that has always existed between economic information and the top government administrators.

• **The Key**—This makes Burns the key man. As chairman of the Council of Economic Advisers, he will report directly to President Eisenhower on how business is doing.

As chairman of ABEGS, he will be the central figure in deciding what the government should do to keep business good. The combination adds up to the most important assignment ever given an economist in the U.S. government.

Backing Away from Tight Money

● This week's cut in bank reserve requirements dramatically swings FRB policy away from ever-tighter credit.

● A lot of businessmen have been in trouble. Now, though easy money is not coming back, the worst of the squeeze is over.

The Federal Reserve Board began tightening credit two years ago. And, ever since, bankers and borrowers have been asking: How tough would the credit situation have to get before the Fed eased up on the screws?

This week, they got their answer: This tough.

The Reserve Board took the first decisive step backward in its tighter money policy. It announced that it was going to make a modest cut in the reserve requirements of member banks.

The first cut takes effect July 1. Banks in the smaller towns—the so-called country banks—will have to hold reserves (in the form of deposits with the Federal Reserve Bank) equal to only 13% of their demand deposits. The present requirement is 14%.

On July 9, banks in the larger cities will get a cut from 20% to 19%. And at the same time New York and Chicago banks—the central reserve city banks—will have their requirements cut from 24% to 22%.

• **Switch**—The mathematics of the cut makes plain that the board thinks its tight money policy has gone quite far enough. By lowering reserve requirements, the board is in effect letting the banks add about $1.2-billion to the country's credit base—enough, in theory, to support something like $7-billion of additional deposits.

Moreover, the cut comes on the heels of other, less obvious modifications of the tight money stand. For several weeks, the Reserve banks have been buying government securities—enough to cause a moderate decline in the interest rate the Treasury has to pay on borrowed money. And since the government market is the key to the whole system of interest rates, this has made life a little easier for all borrowers.

• **Quiet Help**—Few of these purchases have been made in the government bond market where they would have the most dramatic impact. The Fed has bought only about $5-million in bonds. But it has been a heavy buyer of Treasury bills—$150-million in the week ending June 17 and $110-million in the week before that. In addition, the Fed has given the Treasury the accommodation that is customary around the quarterly tax collection dates—buying special certificates issued in anticipation of taxes that are due. This adds an impressive, though short-lived, $823-million to the two weeks' purchases.

This jump in the Reserve's holdings of government securities has been largely responsible for the new strength in the government bond market as well as the slide in the interest rate the Treasury has to pay for new issues of 91-day bills. Over a three-week period, the bill rate declined from 2.416% to 2.229%.

• **Not All the Way**—The cut in reserves, coming on top of the purchases of government securities, makes it plain that the board is backing down off its tight-money perch. But the odds are that it doesn't intend to back very far. For borrowers, the real significance of the move is that from here on things aren't going to get any tougher—not that from here on it's going to be just like the old easy money days.

Actually, the board had three different objectives in mind when it decided to put the brakes on its tight money policy. It wanted:

• To put a little slack into the banking system to take care of the seasonal rise in the demand for credit. Beginning in May, the demand for loans starts to rise in anticipation of the June 15 corporate-tax payment date. Then, near the end of June, there is the start of the seasonal rise in credit.

• To take care of the needs of an expanding economy. There has to be some growth in the credit base merely to keep up.

• To head off mounting criticism—from borrowers who are finding tight money painful and from congressmen who see it as a political issue.

• **The Squeeze**—It's the third point—the rising resentment among borrowers—that accounts for the cut in reserve requirements. Seasonal expansion and long-term growth could have been handled by a cautious program of open market buying.

By cutting requirements, the board gives a quick backward twitch to the thumbscrews that have been pressing down on borrowers all over the country. And not a bit too soon in the opinion of a lot of businessmen and bankers who have been feeling the pinch.

• **Where It Hurt**—Last week, BUSINESS WEEK reporters checked with bankers and borrowers around the country to see just how hard the credit squeeze was bearing down.

Significantly, the most trouble—from a borrower's standpoint—seems to be coming outside the main financial centers—in the smaller cities, the county seats, the back-country towns. This seems to be particularly true in the West.

That is one reason why there is so much political dynamite in tight money. For outside of the cities, and in the states near and beyond the Rocky Mountains, the complaint of any one injured constituent—businessman, cattleman, or farmer—means a lot more to his representatives in Congress than it does in the more populous East.

• **For Instance**—Here is a sampling of the reports that came in from the West:

• Appeals from country banks that feel they can no longer carry livestock men have been coming into Denver from a seven-state area. Although big manufacturers have no trouble at the loan window, credit is restricted for smaller newcomers. Interest on inventory loans for retailers in one bank averages 4½% to 6%, up about 1% from a year ago.

• Banks in Seattle are checking borrowers' working capital closely, tending to prune off the bottom of their lists some companies that might have qualified a year or so ago. There is new stress on repayment terms. You can see the change in the statement of one banker, who said, "We're in the business of financing particular transactions, rather than supplying working capital on a permanent basis."

Automobile dealers—particularly those with used-car lots—are having troubles, as are appliance retailers and salmon packers.

• A Salt Lake City trucking firm says that two years ago it bought equipment with 4½% money on a four-year basis; this spring it had to pay 6% for only a 30-month term. An established furniture dealer, who asked for $15,000 for expansion and added inventory, found the most he was able to get was $9,000.

• **And So**—It doesn't take much of this sort of thing to make a congressman paw the air. And it doesn't take much of it to make the money managers worry about overdoing a policy even when they think it is basically on the right track.

That's why this week marks a real turning point in credit policy. From here on the trend will no longer be toward tighter and tighter money.

Who Started "LUBRICATION"?

As usual, Mother Nature worked it out ahead of everybody. To the fast-moving, water-loving otter, for example, she gave the natural oils that protect its glossy coat from constant wetting and friction.

The essential action of commercial lubricants in preventing wear, corrosion, abrasion is well known and understood. Modern needs, however, require an unceasing search for new lubricants with special elements and qualities.

New Sinclair **"Extra Duty"** *Motor Oil* is just such a product. It is a compound of highly refined crude and important additives designed for modern high-compression engines. In these, as well as older models, it keeps engines clean, inhibits corrosion and foaming, and provides ideal lubrication through a wide range of temperature extremes. When used according to the car manufacturer's recommendations, it is guaranteed to keep an engine in top operating condition for 100,000 miles.

Sinclair pioneers in developing quality lubricating oils for every kind of mechanized equipment, from sewing machines to dynamos. All are constantly tested in field and laboratory. This continuous effort to supply you with better products demonstrates how Sinclair's "Plan for Balanced Progress" works toward benefiting everyone.



SINCLAIR OIL CORPORATION • 600 FIFTH AVENUE • NEW YORK 20, N. Y.

America does business on

NEKOOSA BOND

For letterheads and envelopes with distinctive appearance, for office forms that are both readable and durable, more and more business firms are specifying Nekoosa Bond. Your printer has it—in sparkling white and eleven attractive colors. For your next printing job, letterpress or offset, ask him to show you samples.

Nekoosa-Edwards Paper Company, Port Edwards, Wisconsin.



it pays to plan with your printer

BOND Nekoosa MADE IN U.S.A.



BUSINESS BRIEFS

Trend to higher gasoline prices at retail, visible for some time, has sharpened since the boost in crude prices (page 70). Examples: Esso Standard Oil Co. tacked on 0.8¢ a gal. in New York State; Standard Oil (Indiana) had raises ranging from 0.3¢ to 1¢ in the Midwest. There were spot rises in light fuel oils and other products.

•

Broader paper product line will be one result of the merger of Marathon Corp., of Menasha, Wisc., and Northern Paper Mills, of Green Bay. Marathon brings $86-million sales, mostly food and consumer goods packaging, to the merger. Northern's $21-million sales are largely in household paper products.

•

Western Union announces that it is selling its 62% stock interest in American District Telegraph Co. to the Grinnall Corp., of Providence, R. I. Terms will be revealed next month. ADTC provides electrical protective devices and services for 52,000 customers in 1,000 cities. Grinnell is one of the nation's top makers of burglar alarms and fire extinguishers.

•

City landlords took in $10-billion in house and apartment rents last year, and netted about 25%, according to the Commerce Dept. The average tenant paid $44.17 a month for his shelter.

•

Plastics invasion of the steel tube field (BW—Jun.13'53,p141) moved forward another step when Republic Steel Corp. bought up Owings-Sharpe, Inc., of Magnolia, Ark. Republic, the nation's third-largest steel producer, will turn out plastic pipes to supplement its regular line.

•

Iron ore prices show signs of tagging along after the steel boost (BW—Jun. 20'53,p27). Cleveland-Cliffs Iron Co., one of the largest producers, announces a net boost of 15¢ per gross ton on ore, effective July 1 for the balance of the season. The raise is tacked on top of a 5¢ rise in transportation costs already in effect.

•

Public power policies of the New Deal got a break in Federal district court in Washington this week, after a long series of legal setbacks (BW—Mar. 7'53, p34). The court upheld the legality of transactions under which cooperatives borrowed some $57-million from Rural Electrification Administration to build new facilities, then sold or leased them to Southwestern Power Administration, marketing agency for federal power.

No. 20 in a Series of Jones & Lamson Reports to Management

Industry's most powerful machine . . .



CENTRAL HUDSON GAS & ELECTRIC CORPORATION'S

Two Keys to Coordination: Training and Communications

THE PROBLEM: To counteract diminishing productivity and decreasing profits due to general organizational complacency and the serious lag between an imposed rate structure and inflationary costs.

THE SOLUTION: An extensive program of executive and supervisory training, and complete modernization of the company's communications techniques.

THE METHOD: This company's attack upon a highly complex problem is profound in its simplicity and logic.

First Step

Since the solution of any problem calls first for a clear definition of the problem, Central Hudson's first move was obvious.

A committee of management and supervisory personnel was appointed for the purpose of general diagnosis. The membership included none of the principal officers of the company, so that its findings would be free of any executive domination.

The results of an exhaustive review: recommendation that an appropriate program be undertaken for the training and development of all management and supervisory personnel—engagement of a firm of management consultants to study the problem in detail, and to help plan and execute such a program.

Second Step

An independent survey of employee opinion was conducted on a completely anonymous basis, with personal interviews among all classes of personnel. Management's willingness to subject itself to such an audit had highly favorable effects on the organization.

Findings of the survey: 1. Inefficient communications, both vertically and horizontally. 2. Complacency among supervisors, with too little premium on initiative. 3. Need for improved management skills and knowledge in human relations. 4. Need for improved development of group morale and responsibility, with better planning, assignment of work and delegation of authority.

Third Step

Seat of the trouble lay in the need for improved understanding, effective communications and esprit de corps. The cure?

First, the management consultants launched a three-phase executive and supervisory training program, in weekly sessions of small groups. The three phases covered (a) instruction in the principles and tools of modern management, (b) techniques of Consultative Management, and (c) a series of problem-solving conferences of individual groups on subjects drawn from their daily experience.

Next, a program of Consultative Management was adopted and made a continuing part of the company's normal operating procedure. This is a company-wide plan in which the individual conference groups are composed of representatives from various levels and from all departments of the company. The subjects covered by these groups extend over a broad field dealing with communications, employee attitudes, economics, public relations, organization and many others. In addition, departmental conferences are used by the department heads to regularly bring their associates into conference to discuss goals, problems and progress of their respective departments.

In a Consultative Management plan, the policies and decisions of top administrative groups are made known to groups *down* the organizational line, while the suggestions and recommendations of lower-level groups travel *up* and *across*.

Today, Central Hudson is humming with more power than ever before in its long history. For it is working with industry's most vital source of energy—the human mind.

P.S.

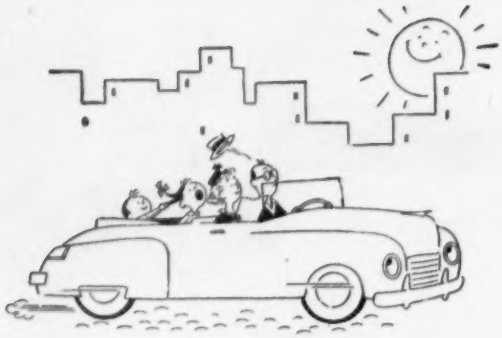
In common with other progressive companies, Jones & Lamson takes a healthy interest in the many and varied problems of industry. When problems involve turning, threading and grinding operations, J & L regularly works with top management in achieving their successful solution.

SOURCE: Rogers, Slade & Hill, Management Consultants, N. Y. C.

JONES & LAMSON MACHINE COMPANY

Dept. 710, 503 Clinton Street, Springfield, Vermont, U. S. A.

Turret Lathes — Fay Automatic Lathes — Thread Grinders — Optical Comparators — Threading Dies & Chasers



1. Harried Harry, tired and tense, had driven all day long. The sun beat down, the children fussed, and everything went wrong. Up spoke his wife: "Now, children, we're in luck, so please don't cry. We're in the heart of town, and there's a Statler right near by!"



2. And at the Statler door, attendants took their car away. They marched into the lobby, and they registered to stay. They got their rooms—and oh, such rooms! So cheerful, cool, and bright—the beds were fresh and clean, and every last detail was right.



3. A little later, much refreshed, they went downstairs to dine. "What food!" cried Harry. "It's the *tops!* The service, too, is fine!" The chicks had *special* menus—children's plates and silver, too—and, joy of joys, the waiter brought balloons when they were through!



4. That evening, Harry and his wife went out to see a show. They employed a Statler sitter, so the children let them go. The youngsters settled down to hear a story and to eat the bowl of fruit the Statler sends *all* youngsters for a treat.



5. Next morning, bright and early, they were on their way once more. They'd ordered up a big box lunch, their car was at the door. Said Harry, "I feel wonderful! Boy, what a perfect rest! We'll *always* stay at Statler, where you really *are* a guest!"



STATLER HOTELS: ***NEW YORK • BOSTON • BUFFALO • DETROIT CLEVELAND • ST. LOUIS • WASHINGTON • LOS ANGELES***

★

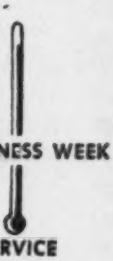
ANOTHER GREAT NEW STATLER—HARTFORD

(OPENING SUMMER, 1954)

Do you owe yourself a treat?
Make it a weekend at the Statler!

WASHINGTON OUTLOOK

WASHINGTON
BUREAU
JUNE 27, 1953



A new, pro-business tax policy will be an Eisenhower "must" for 1954. This has been obscured by the fuss over extending the excess-profits tax to protect revenues for the next six months. But once EPT is disposed of, the Administration's tax revision ideas will begin to make big news for all businessmen. They involve a sharp break with ideas of the past.

•

Incentives to investment and growth keynote discussions now under way. The form the fiscal recommendations will take will depend on whether the cold war gets colder or warms up, of course. Still, ideas in the mill are worth noting. They reflect official hopes and objectives.

Business will come ahead of individuals on relief. That doesn't mean individuals will be asked to pay present rates indefinitely. The fact is Eisenhower wants the last boost on individuals (11% for most) off at the end of this year. But beyond that, business will get first consideration.

•

For example, take depreciation: The rate at which investments in new plant and facilities can be written off for tax purposes is a major factor in spending by business. Eisenhower's advisers think business should have more freedom in deciding how fast it will take these write-offs. Some extra freedom here could stimulate the economy—help keep capital investment at a high level.

As another example, take the tax treatment of dividends: Earnings available for stockholders, the suppliers of equity money, are measured after tax payments. And when a stockholder gets a dividend, he also pays income taxes on it. But borrowed capital is treated differently. Companies can deduct from their taxable income the interest paid on such debts. Eisenhower, his assistants say, would like to change this situation. His idea is that a better tax break on dividend money would make financing of business operations easier than under present conditions.

•

Such relief will be called business favoritism. The New and Fair Deals gave business another lick each time they boosted taxes on individuals. Their theory was that this was necessary to prevent a political backfire.

The current thinking is entirely different. Eisenhower's tax advisers take the position that individuals pay all the taxes in the end, no matter how they are levied. If, for example, corporate rates are forced up and up, the increase is passed along to the ultimate consumer in the form of higher prices. So, they reason, relief for business will finally become relief for the individual taxpayer. And, politically, if the business relief helps build a high level of economic activity—which means plentiful jobs at good pay—the voters won't be influenced by charges of "favoritism."

•

Behind Rep. Reed's stand on the excess-profits tax is a political situation that Congress would like to duck.

The Republicans campaigned for lower taxes. Eisenhower made an issue of big taxes and big spending. He promised less of each, though without a timetable. Candidates for Congress were more specific. They promised tax cuts now. So as a party they won't want to vote an EPT extension. It's embarrassing. But neither do they want to vote against Eisenhower. Hence the ducking.

The Democrats are elated. Truman labeled the tax hopes held out by the Republicans a phony. And now the Democrats in Congress are

WASHINGTON BUREAU
JUNE 27, 1953

sitting on their hands on the EPT issue. If and when the bill comes to a vote, most will vote for an extension. But they are content to sit by and let the GOP fight over whether there should be action on the floor.

•

Reed's opposition isn't just personal stubbornness. He is safe in his own political district. But some 10 times a day he is slapped on the back by House colleagues, Democrats as well as Republicans, for opposing EPT extension. Fellow members have expressed to him the wish that he hold the EPT matter in committee and thus relieve them of the unpleasant chore of voting on it.

Note this on the EPT issue: Even if the extension legislation isn't enacted by June 30, when the tax expires, there can be a retroactive revival. It could come this summer, or even in the fall, and still be legal. The Supreme Court has precedents for retroactive taxation.

•

Taft-Hartley: The prospect still is for no action on revision of the controversial labor law this year—despite the fact that the White House is coming up with some amendments of its own. Important factions in business and labor will oppose the White House recommendations.

Wage differentials in the South: Note that the new steel contract provides for elimination of the 5¢ differential next summer. Other unions will now fight harder to eliminate the differential in textile and sawmill contracts. Competitive advantages are at stake.

•

A hot fire is building up under Secretary of Agriculture Benson. Farm prices are trending down, and farm belt Republicans in Congress are becoming worried about next year's elections. They want Benson to come out with some new plan to hold prices up before a Republican tag is attached to the farm recession. But so far Benson has no substitute for the present price-support system, which will pile price-depressing surpluses higher as this year's crops are harvested.

Sentiment is growing for cattle price supports. One scheme getting considerable attention is for a government-paid premium to encourage slaughter of breeding stock—cows and heifers—to hold down future beef production. The Administration doesn't like the idea. But it may ultimately be forced to adopt some such program, even if it does smack of the old Wallace plan for "ploughing under" pigs, used to prop prices during the depression.

•

The President's choice of Lewis L. Strauss to head the Atomic Energy Commission boosts prospects for industrial production of atomic power.

Strauss, who has been acting as the President's special adviser on atomic policy since early this year, took an active role in the development of electric power from atomic reactors. He also strongly backed AEC's bid for funds for research and development work on power reactors.

Strauss' appointment as a member of the commission, which went to the Senate this week, will win quick approval. He has been popular with Congress since he served as one of the original AEC commissioners from 1946 to 1950.

Technically, his appointment merely places him on the commission for a five-year term, succeeding Chairman Gordon Dean, who retires next week. But it's an open secret that Eisenhower will name Strauss chairman as soon as his nomination has been confirmed by the Senate.

Contents copyrighted under the general copyright on the June 27, 1953, Issue—Business Week, 330 W. 42nd St., New York, N. Y.

LADISH *Controlled Quality* ASSURES METALLURGICAL SOUNDNESS



SPECTROGRAPHIC ANALYSIS
One of many comprehensive Ladish laboratory test procedures for assuring reliable performance.



TO MARK PROGRESS

Ladish measures the spectrum to verify chemical composition

Metallurgical integrity—is safeguarded at Ladish by unsurpassed laboratory controls. Typical is this advanced electronic direct-reading spectrograph. On this unit as many as 300 determinations have been made in one hour to verify compliance of each mill heat with exacting Ladish specifications and, equally important, to assure the absence of detrimental "tramp" elements. Here is but one indication of the thorough, scientific procedures that assure reliability in every Ladish Controlled Quality fitting.

THE COMPLETE *Controlled Quality* FITTINGS LINE
PRODUCED UNDER ONE ROOF . . . ONE RESPONSIBILITY

LADISH CO.

CUDAHY, WISCONSIN
MILWAUKEE SUBURB

District Offices: New York • Buffalo • Pittsburgh • Philadelphia • Cleveland • Chicago • St. Paul
St. Louis • Atlanta • Houston • Tulsa • Los Angeles • San Francisco • Havana • Mexico City • Brantford, Ont.





Things are different—up there!

You would be amazed at the tricks nature plays in the stratosphere

As aviation progress has carried man farther into the upper air, he has found that nature has many tricks up her sleeve in the stratosphere. Many things that worked well on the ground wouldn't do as well, or failed completely, in the space beyond the clouds. Things are truly different up there.

CARBON BRUSHES ARE AN EXAMPLE—These brushes are the contact points that carry electricity between moving and stationary parts of motors and generators. They're in electric razors, sewing machines, huge diesel locomotives—and in modern aircraft.

THEY COULDN'T STAND ALTITUDE—Today's high-flying planes require literally hundreds of small electric motors and many carbon brushes. Here was one of nature's quirks, for brushes which worked well on the ground and at lower altitudes couldn't take the thin, dry air of the stratosphere. They'd spark and quickly disintegrate. And if the brushes failed, the motors also would fail.

UCC FOUND THE ANSWER—The people of Union Carbide attacked this problem. Through research they developed special carbon brushes that worked uniformly well at all altitudes, making stratosphere flying a practical reality.

OTHER AIDS TO FLYING—Better carbon brushes that keep motors and generators running, alloy metals that stand the terrific heat of jet engines, plastic insulation for high-altitude wiring, and oxygen that provides the breath of life in the upper air—these are but a few of the many UCC products that are helping aviation reach new heights.

FREE: *Learn more about the interesting things you use every day. Write for the 1953 edition of "Products and Processes" which tells how science and industry use the* ALLOYS, CARBONS, CHEMICALS, GASES, *and* PLASTICS *made by Union Carbide. Ask for booklet C.*

UNION CARBIDE
AND CARBON CORPORATION
30 EAST 42ND STREET UCC NEW YORK 17, N. Y.

UCC's Trade-marked Products of Alloys, Carbons, Chemicals, Gases, and Plastics include

NATIONAL Carbons • ACHESON Electrodes • EVEREADY Flashlights and Batteries • PRESTONE and TREK Anti-Freezes
ELECTROMET Alloys and Metals • HAYNES STELLITE Alloys • PREST-O-LITE Acetylene • PYROFAX Gas
DYNEL Textile Fibers • BAKELITE, KRENE, and VINYLITE Plastics • LINDE Oxygen • SYNTHETIC ORGANIC CHEMICALS

MARKETING

Air Conditioning: Biggest Year Yet

● **Industry looks for gains of 80% on room unit sales, 300% on year-round residential systems.**

● **Dealers in many cities report sellouts, with new stocks coming in slowly. Yet price discounts are much in the picture.**

● **Merchandising remains the big problem for manufacturers. Much of solution hinges on what type of conditioner prevails in long run.**

"When I accepted all those air conditioners in mid-April, I was worried whether I could get rid of everything this summer. Now it looks like I'll be out of them by July 4."

The Cincinnati distributor who said this was echoing the sentiments of pretty much the entire air conditioning brotherhood. The year 1953 looks to be 1952 all over again—only better.

The industry talks of room unit sales 80% ahead of 1952—some 650,000 to 750,000 against last year's retail sales of more than 400,000. On residential year-round systems, it's talking of a 300% increase over 1952's 15,000. Commercial figures are fuzzier. But General Electric Co. estimates that packaged jobs—for stores, restaurants, offices—will better last year's 55,000 by 50%. Carrier Corp. predicts the big installations for plants and office buildings will continue their steady 15% growth.

• **Problems**—This kind of explosive energy makes for problems. It has brought some 50 or 60 new concerns into the field in the past year, for a grand total of perhaps 75. Competition is close to the boiling point in some areas.

Some sober minds are asking whether manufacturers haven't set their sights too high—on room units at least. Production goals—more than 1-million room units—run well above sales estimates. However, comments one executive cheerfully, there's a good chance they won't make their goals. Shortages of components, especially compressors, are likely to trim production. (Production on residential units comes closer to sales talk—about 75,000 to 80,000 units.)

Overproduction may prove mythical. But the problem of how best to distribute that production is a reality. Air conditioning is a term that covers several breeds of cat. And merchandising a room unit is quite a different proposition from handling the larger, more complex equipment. That difference is already rocking the boat of established distribution methods; its entire course may have to shift before the sailing is smooth.

BUSINESS WEEK reporters last week checked around the country to find (1) where air conditioning stands right now, and (2) which way the pattern for the future is shaping. Here's what they found.

I. Here and Now

From Boston to Portland, Ore., from Dallas to Buffalo, sales of room units are ahead of last year—anywhere from 8% to 300% ahead.

Dealers in St. Louis, Boston, Houston, Cincinnati report sellouts—with new stocks coming in slowly. Most places, department stores are in the act, too, and, says one Los Angeleno, "When a department store takes on air conditioning in this area, you know it has arrived." In New York, Macy's has a whopping display of some seven lines, throws in information on central units as well.

• **Weather**—Whether the market turns into a full-scale runaway depends mainly on the weather. Weather has been balky some places. As a Chicago dealer put it, "What we need is three hot days in succession." But even where weather has so far failed to cooperate, all hands are confident they'll lick last year's sales.

It is interesting to note that at this early stage in the game, regional differences are showing up. Salesmen groan that it's practically impossible to sell coolness in San Francisco. The same holds true, to a lesser degree, along the northern Pacific Coast.

In the Southwest and parts of the Far West, there is another obstacle to the sale of conditioners. In these hot, dry climates, the evaporating cooler has a strong foothold (BW—Jan.24'53, p158). These are the devices in which an electric fan sucks outside air through a water-saturated "bat" of excelsior. In the San Joaquin, Sacramento, and Imperial Valleys of California, in Phoenix and Tucson, they are more common than bathtubs. Their great beauty is that you can buy one for as little as $40.

Makers of the evaporator units say they are riding the coattails of the promotion-minded refrigerator salesmen. Conversely, the air-conditioning salesman counts every cooler owner a prospect for the air conditioner.

• **Still It Grows**—Generally, however, the air-conditioning trade doesn't get too discouraged over climate troubles. Air conditioning is moving in even on New Hampshire. What's more, more people bought early this year; they didn't wait for a heat wave to blast them into action. That proves, the industry thinks, that the U. S. is becoming conditioned to air-conditioned comfort.

Even water supply, a problem in many areas, may soon be licked by new models coming on the market. Airtemp Division of Chrysler Corp. has an air-cooled system. Carrier and others advocate the water tower or other devices to recirculate the water.

• **Price Cuts**—The trade's optimism, however, doesn't override the fact that price-cutting is cropping up on room units. No city reported drastic cuts; a few reported prices firm. But discounts are admittedly in the picture. "Nobody here is selling at regular list price," says an appliance dealer in Dallas.

It's competition that's doing it. With a multitude of models to choose from, customers are shopping around. Some dealers figure it's better to clinch a sale at a lower profit than to let it slip through his fingers. Some are cutting on last year's models; some as a come-on to sell other appliances.

Here and there a dealer is cutting because he is scared he is overstocked. He is distinctly in a minority, though; many more people worry that their stocks will run out than that they will run over. The favorite theory on price cutting is that it's "catching" from the state of the appliance business generally.

• **Year-Round**—Most people in the trade feel that year-round installations are the coming form of air conditioning. This is already plain in some localities. In California laments are loud and long



Sail Boats on Inland Waters in North Carolina . . .

There's Smooth Sailing
in NORTH CAROLINA

. . . where industry finds the warm, friendly atmosphere of happy, contented people living and working in a VARIETY VACATIONLAND contributes to profitable production. It is one of the many industrial advantages of "ACCESSIBLE ISOLATION" enjoyed by North Carolina plant locations.

For a list of available sites and industrial buildings and other information, communicate with

NORTH CAROLINA

DEPARTMENT OF CONSERVATION AND DEVELOPMENT, RALEIGH, N. C.

". . . in Houston, air conditioning even graces the jail . . ."

AIR CONDITIONING starts on p. 43

that not enough year-round units are available. F. J. Van Poppelen, general manager of General Electric's air conditioning division, says, "Our main trouble is that we have too many people mad at us. We're making 12 times as many residential units as we did last year and could have sold 20 times as many." Other manufacturers echo him.

Even in the lower brackets, new installations turn up every day. A Boston builder has just started a group of houses, equipped with Carrier units, to sell for $11,900. Twenty homes are under construction; 16 have been sold.

Commercial installations—both packaged and central—are all over the lot. In Portland, Ore., home units are relatively small potatoes but countless commercial and institutional buildings are getting air conditioned. It's just plain competitive sense. If one hotel or restaurant installs it, the one across the way has to. The same sort of thing holds in new construction, everywhere from New York to the West Coast. In Houston, air conditioning even graces the jail.

One big boost for the central systems is GE's heat pump (BW—Nov. 15'52,p68). This device, which uses only electricity to heat and cool, is already being distributed through some 150 outlets throughout the U. S. Westinghouse will also have a heat pump before long. Cloud Wampler, president of Carrier, thinks central residential dollar sales will equal room unit sales in five years.

II. Things to Come

Though plainly pleased with the picture, both short- and long-term, the industry knows it has some big questions still to answer:

- What sort of air conditioning will prevail in the long run?
- Who will distribute it?

A basic problem in the air conditioning business is the fact that air conditioning is not one but several things.

There are the big commercial installations, made by such major companies in the business as Carrier, York Corp., GE, Westinghouse Electric Corp., Trane Co., Airtemp., Worthington Corp. Much of this equipment is tailored to the job, and sold directly.

Then there are the room units, marketed by most of these companies plus a long string of other names—Fedders-Quigan Corp., Philco, Mitchell Mfg. Co., Frigidaire, and more recently,

DOW

MAGNESIUM ADDS PORTABILITY TO BUSINESS MACHINE FEATURES

Salesmen can now carry dictating machines on the road because of strong, lightweight MAGNESIUM construction



Communications—that's the key to success in many progressive sales organizations across the country. How long does it take for a salesman to report to the home office? How accurate, how detailed is the sales report when it is received?

To speed up this contact and to improve its quality, some sales managers require their field representatives to make a daily report via portable dictating machines which salesmen can now take into the territory—thanks to strong, lightweight Magnesium construction.

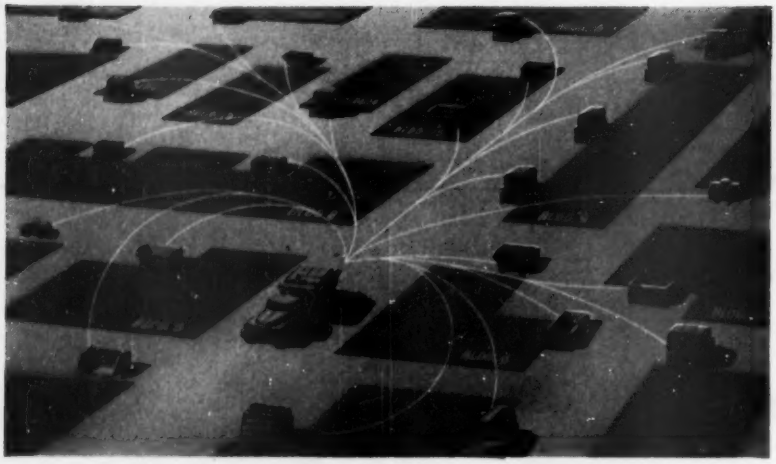
Yes, Magnesium—the lightest of all structural metals (it's one third lighter than aluminum) allows manufacturers of business machines to produce equipment that is light enough for easy carrying, strong enough for rugged handling, and practical enough for day-in, day-out use.

Other manufacturers have capitalized on Magnesium's versatility. For instance, the aircraft industry has made liberal use of it to increase the speed, extend the range, and add to the load-carrying capacity of modern planes.

Have you considered Magnesium for your product? For the facts on this remarkable metal, write to THE DOW CHEMICAL COMPANY, Magnesium Department, Midland, Michigan.

you can depend on DOW MAGNESIUM

DOW

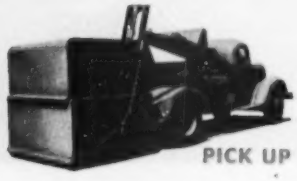


What you can do about your high cost of bulk Materials Handling

The picture above tells the whole story of the Dempster-Dumpster System of Bulk Materials Handling. Never before have you been able to cut bulk materials handling costs so drastically! One truck-mounted Dempster-Dumpster handles the entire group of Dempster-Dumpster Detachable Containers. It's like having scores of truck bodies for a single truck.

Containers are spotted at convenient materials accumulation points. When loaded each is picked up, hauled and emptied (as shown at left) . . . or load set down intact. Entire operation is handled by only one man, the driver, by hydraulic controls in cab.

Each container is designed and built in the desired size up to 12 cu. yds. to suit the materials to be handled—be they solids, liquids or dust . . . hot or cold . . . bulky, light or heavy. You can handle, at tremendous savings, materials of many descriptions—trash and waste materials, raw materials, finished products, etc.—with only one truck and only one man, the driver. Write to us for complete facts. Manufactured exclusively by Dempster Brothers, Inc.







THE DEMPSTER DUMPSTER® SYSTEM

DEMPSTER BROTHERS, 463 Dempster Bldg., Knoxville 17, Tenn.

". . . the contractor has the know-how—but he's generally no salesman . . ."

AIR CONDITIONING starts on p. 43

RCA, Crosley, International Harvester, Remington Corp., and a host of others. These units are sold mainly through appliance outlets, including the appliance dealer and the department store.

• **Others**—Central heating-cooling systems have brought still another group into the air conditioning picture. Companies primarily in the heating field—American Furnace Co., Bryant Heating Division, Affiliated Gas Equipment Co., Coleman Co., I. J. Mueller Furnace Co., and others—are deep into air conditioning. American Radiator & Standard Sanitary Corp. last week announced formation of a new division to handle its heating and cooling operations.

Servel, coming in from still another field—refrigeration—has also joined the ranks of those making year-round heating-cooling equipment.

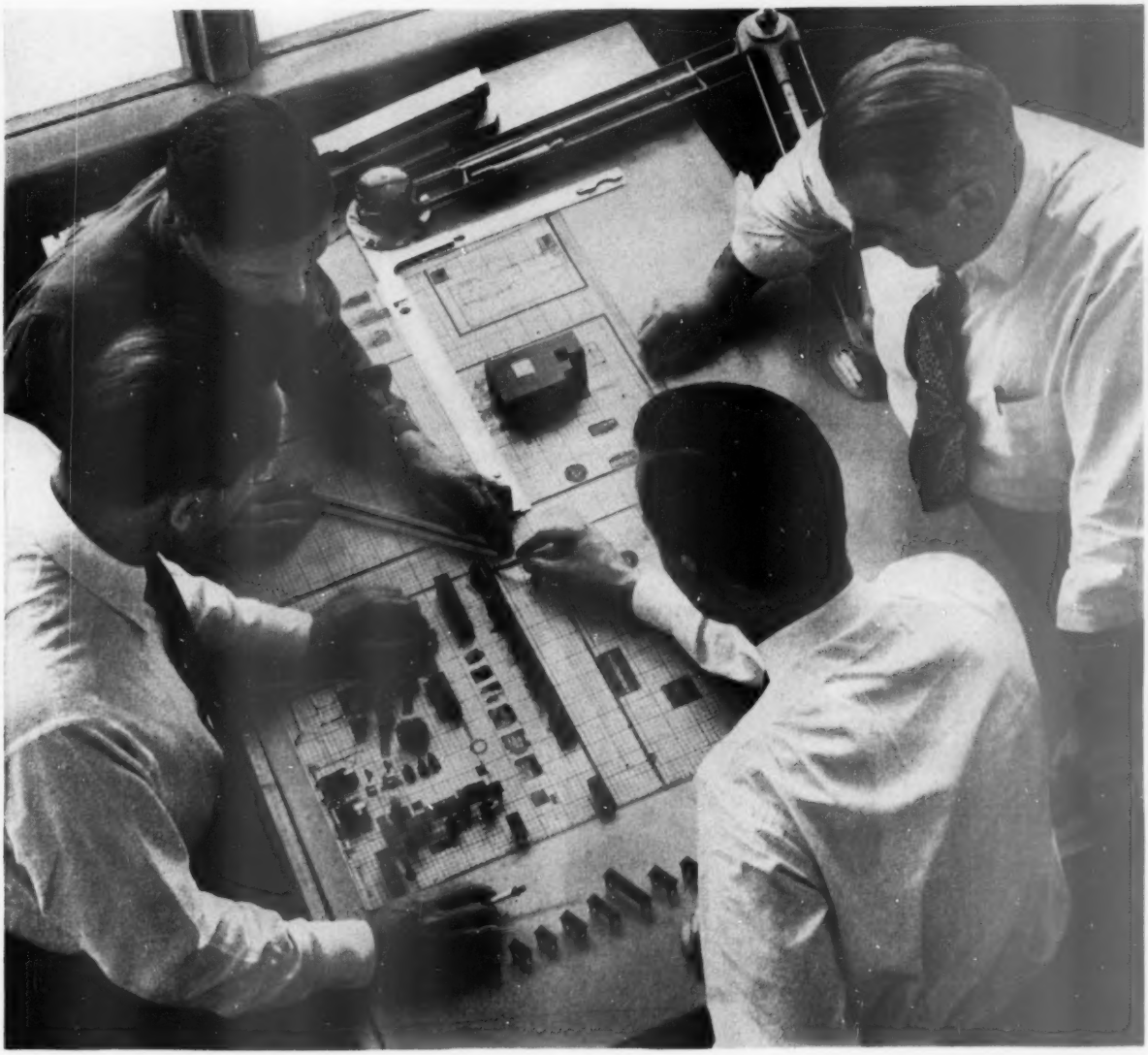
• **Distribution**—Each group has strengths and weaknesses in its distribution setup. The appliance dealer is a salesman; he knows what it takes to move the goods. What he lacks is engineering know-how, and it takes engineering to install even the room units. The contractor has the know-how—but he's generally no salesman.

Chrysler Airtemp ran head on into this trouble a few years ago. It added to its dealership considerably. Then it found a lot of its new dealers couldn't cope with the engineering. This year it has 123 fewer dealers than last year—and is doing a bigger business.

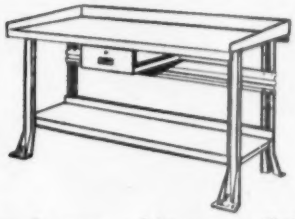
Meanwhile, a special breed is developing: the air conditioning specialist, who handles all types.

Many manufacturers recognize this problem as vital to their business. Clarence H. Linder, GE vice-president of engineering, told last April of GE's plan to survey the whole problem of distribution to see which channel or channels would serve best. GE's Van Poppelen adds that no one knows the answer yet. It may be the contractor. It may be the specialist. It may be the appliance dealer. "But if it is," Van Poppelen adds, "it will be a different appliance dealer from the kind we know now."

The answer to this question depends partly at least on another that is still unanswered. Up to now, commercial installations have represented the bulk of the industry's business—and they still do. But if home air conditioning continues its forward march, it could catch up with commercial and industrial sales. This would call for new emphasis on home distributors.



Production goes up, costs down, with engineered space



How do you achieve an efficient production line—or a toolroom, for that matter?

First comes the question of space. Then how you're going to use it. Finally how you're going to equip it. Here you'll be wise to investigate HALLOWELL Shop Equipment.

Standard HALLOWELL Shop Equipment is adaptable. Take the simplest workbench, consisting of a top, legs and a stringer. You can get 144 variations in this basic design alone! Standard, interchangeable accessories—end pieces, backboards, drawers, shelves and cabinets—add to its usefulness. Its versatility is limited only by your demands.

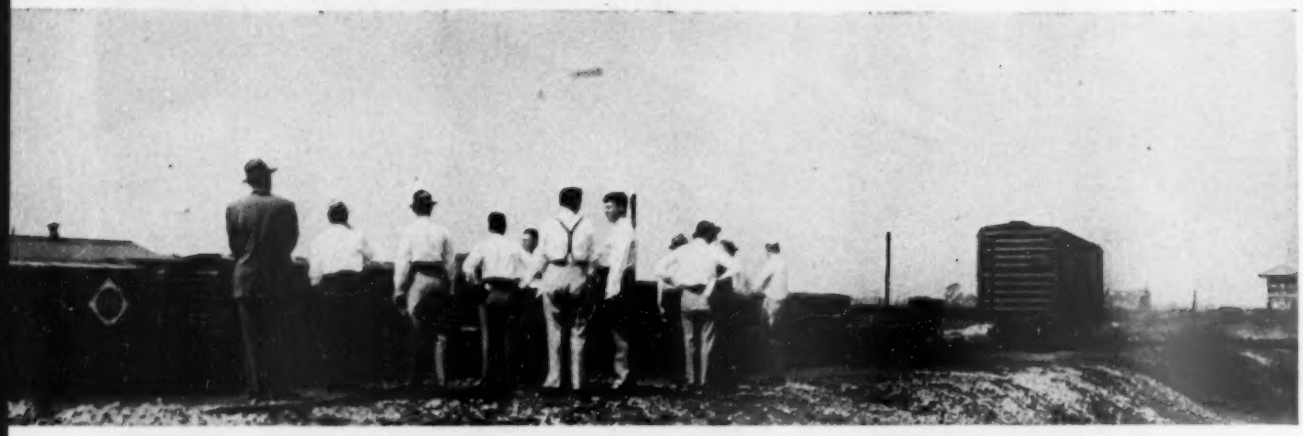
When you engineer a space for maximum efficiency, you design it as a whole. Whether you want to set up a laboratory, an assembly line or a whole plant, you can get everything you need in standard HALLOWELL equipment—benches for individual or continuous line, wall cabinets, tool stands, shop desks, chairs and stools.

As makers of HALLOWELL Shop Equipment, the commendation we're proudest of (and the one we most like to receive) is: "Thanks to our new HALLOWELL Shop Equipment, our production has gone up, our costs have gone down."

HALLOWELL Shop Equipment is sold by leading industrial distributors everywhere. Write for descriptive literature. SPS, Jenkintown 57, Pa.

Our Fiftieth Year : A START FOR THE FUTURE

SPS HALLOWELL SHOP EQUIPMENT DIVISION • JENKINTOWN, PENNA.



ERIE RAILROAD freight agents learn firsthand about shipping freight, in the Erie's summer school for its salesmen.

Freight Agents Get to See What



IN CONTROL TOWER, salesman sees the operator shifting freight cars onto different tracks by electrically controlled switching.



IN YARDS, visitors watch repair jobs like this one where worker replaces old wheels that are "dished out," or broken.



AT THE STATION, group views bulwarks of metal and wood used in Erie cars of l.c.l. freight to prevent shifting in transit.



ON THE ROAD, salesmen from distant points eat together, live in same car, get acquainted, swap ideas. The school lasts 12 days.



RIDING THE RAILS in the cab of the engine shows a freight salesman where the line runs, where the shipments go.

They Sell

Seeing is believing, says the old adage. And Harry W. Von Willer, Erie Railroad's vice-president (traffic) (BW—Feb.7'53,p128), believes also that seeing is selling.

As a result, Erie's office car No. 6 will be a home on wheels from now until the end of September for members of a carefully selected group of 168 Erie employees, touring the line in parties of 12. The traveling group is made up 95% of the company's commercial freight agents—the men who sell its freight service to shippers.

Each party of 12 will spend 12 days touring the railroad's more than 2,000-mi. system from one end to the other, with stopovers for a close-up look at operations at freight terminal and junction points.

When the trip is over, Von Willer believes, there will be no blind spots in the freight salesmen's knowledge of how freight is handled. A freight service salesman in California or Texas will be able to tell the shipper of perishables in that area exactly how his shipment will be handled from the time it is received by Erie until it reaches its destination.

• **Postgraduate**—All this is part of Erie's extensive educational system for its freight salesmen—an education that begins as soon as a man is hired for the traffic department. The "visual education" tour is intended as a sort of postgraduate course, and for most of the on-the-street salesmen it is repeated every four years.

When the tours were started in 1922, they were planned only for the company's sales people in off-line district offices. Now they have been enlarged to include not only salesmen from on-line district offices, but also employees from the operating, legal, financial and other departments.

A secondary reason for the educational tours is to get the traffic department's sales force acquainted with employees from other departments, and with traffic people from distant points. Thus, those who come in frequent contact by mail get to know each other.

• **The Car**—So, beginning last month and continuing until mid-September, Erie's office car No. 6 is taking on a new party of salesmen each second Monday.

The car was remodeled to some extent in 1949 to house and accommodate the touring groups. Sleeping quarters are provided for 14, with additional sleeping accommodations for the car crew of cook and porter. The car always moves as part of a regular passenger train.

The observation section at the rear of the car serves both as diner and lounge room. An adequate kitchen is part of the car's facilities, and a shower stall is provided, as well as ample space for clothes closet and baggage compartment.

Except for three nights spent in a hotel in New York during the four-day stay there, the group lives aboard the car.

• **The Group**—From years of experience, Von Willer and his three top assistants know that the grouping of the individual members plays an important part in the success or failure of each tour. Therefore, a great amount of time and thought is put into the selection of the men in each group.

Of prime importance is the matching of personalities so the group will be congenial—the choice of men with similar positions in the same age group, and of men with divergent selling experiences to exchange.

Then the groups are mixed geographically so that each will balance out to 50% salesmen from on-line offices and an equal percentage from off-line offices such as Atlanta, San Francisco, Dallas.

• **Local Stop**—At each point where the group stops over, it is met and taken in hand by a local traffic department official. All the important aspects of the Erie's freight operation at that point are carefully and precisely explained.

The group then gets a close-up look at the operation, and later is usually taken on a short sightseeing tour of plants of customer companies. The salesmen learn the approximate number of carloads of freight from each customer handled by Erie per year.

At Akron and Hornell, the Erie's principal l.c.l. transfer points, attention is focused on that phase of the line's operations. At Marion, Ohio, members of the group see first-hand how freight trains are broken up and reclassified. Marion is the site of Erie's classification yards, as well as its diesel locomotive service and repair shops.

In New York, the salesmen get a view of the company's ship operations and Erie's method of handling perishables. The Erie rail lines reach the Port of New York, though not the city itself.

• **Results**—At the end of the tour, each group goes to Cleveland for a day in the company's general offices. Then it disbands, and its members head for home with notebooks filled and every detail of Erie's freight operation and service fully in mind.

In the case of the Erie salesmen, this training has even more of an importance than it might have if they were selling, say, vacuum cleaners. For all the hard reality of tracks and locomotives, these men are still selling something intangible—freight service. Hence, like all salesmen selling a service, what they sell is actually what they carry around in their heads in the form of schedules, rates, shortcuts, methods.

Important facts about

Industrial Equipment
that wears out too fast!



Time was when equipment was kept going only by replacing worn parts. That is no longer the case.

Today many equipment parts cannot merely be reclaimed but—better yet—given far greater service life by application of Stoody Hard-Facing Alloys. Net result: higher production, less down-time for replacements, lower replacement parts inventory and decreased operating costs.

We'd like to give you the story of Stoody Hard-Facing Alloys in any industry in which you may be interested—*steel plants, cement plants, mines, agriculture, power plants, earth-moving and road-building operations, oil production and pipelines, aggregate plants and many more.*

Our experience of thirty years is gladly placed at your disposal. There is no obligation of course. Check the "yellow pages" of your phone book for local Stoody dealers ... or address

STOODY COMPANY
11931 EAST SLAUSON AVENUE • WHITTIER, CALIFORNIA

Trucks Skid

Both sales and output of light and medium trucks drop as marketing and production problems pile up.

The market for light and medium trucks is a dark spot in an otherwise bright automotive sales picture.

The sale of trucks in the ½-ton and ¾-ton range has slipped badly, and with it production. In part, the drop in output is due to the strikes at Borg-Warner Corp., which supplies Ford and Studebaker. But at least two other makers of light trucks, Chevrolet and GMC, have cut back production voluntarily in recent weeks to the lowest rate this year.

Thanks to this combination of factors, total truck production has fallen behind last year's level. According to Ward's Reports last week, 609,598 trucks have been produced in the year to date as against 611,913 in the same period in 1952. Healthy sales of heavy trucks kept the figure from skidding even further.

• **The Farmer**—The causes of this situation lie both inside and outside the industry. It isn't the industry's fault that the farmer, a major purchaser of light trucks, is having his troubles and has to cut back his buying. His income is off and his expenses are up (BW—Feb. 7'53,p64). On top of this, the weather—droughts in some areas and excessive rains in others—has also hurt his pocketbook. So having stocked up on trucks and other farm equipment over the past few years, he has simply stopped buying.

• **Trade Tussle**—But there are also some trade troubles hurting the truck industry, troubles that trace back to the basic fact that the dealer who distributes light trucks is also the one who sells cars. This has brought about a lot of family squabbling. On the one hand, the dealers accuse the manufacturers of building too many trucks and then overloading the dealers with them. The dealers say that they have to sell these trucks at cost in order to get rid of them. In fact, there are even cases where dealers give their salesmen bonuses for selling trucks at cost.

This zeal for doing business at no profit stems from the fact that many car makers increase the new-car quota of a dealer who raises his truck quota.

The car makers, on the other hand, blame the whole thing on the dealers. They say that selling trucks—with their different weights, loads, axles, and gear ratios—is far more complicated than selling cars, but that dealers won't learn the trade.



Say "A-A-A-A-AH", V. P. Jones!

You've got a nice product and a fine plant, Mr. Jones, and your company has a splendid reputation. But unless you keep your eye on your equipment modernization program, you might just as well open up and take your medicine—*because the competition will be looking down your throat!*

If you don't want a situation like this to develop, Mr. Jones, let's do something about it now. You and us.

We'll give you job reports, job studies and complete data on Monarch lathes that can cut your turning costs to rock bottom—lathes that users consistently tell us give them savings enough to affect final pricing. Samples, on single running tool, tracer-controlled Monarchs: Plant A, "Set-up time reduced from 3 hrs. to less than 20 min."; Plant B, "Wrote off its cost in 276 working days."; Plant C, "72% reduction in machining time."

The next move is yours. With all that ammunition, can't you institute and gain approval of a policy which, despite taxes and unrealistic depreciation practices, faces up to the fact that it isn't dollars that keep a company competitively productive—but machines?

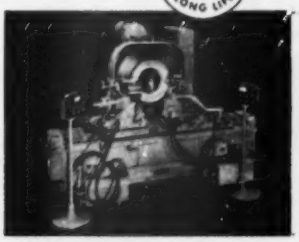
Do that, Mr. Jones, and your "A-A-A-A-AH" will express a very different feeling. One of happy accomplishment! *The Monarch Machine Tool Company, Sidney, Ohio.*

FOR A GOOD TURN FASTER . . . TURN TO MONARCH

Monarch

ACCURACY • ECONOMY • LONG LIFE

TURNING MACHINES



The Monarch Air-Gage Tracer Controlled Right Angle Lathe. Developed primarily for the aircraft industry, it is ideal for facing, turning or boring any type of thin-walled workpiece with a large diameter and short length. Almost half a century of Monarch pre-eminence in the industry is reflected in this newest Monarch lathe.

DO YOU HAVE A
CORROSION
PROBLEM?—

Why not ask your corrosion engineer to test Zincilate on problems that may be bothering you?

LINK-BELT DID



Zincilate-coated steel in this Link-Belt Company vibrating shale shaker, which screens mud for all well drilling operations, withstands severest kinds of abrasion and corrosion.

We don't want you to buy
Zincilate—We do want you to
TRY ZINCILATE

• Zincilate is a compound which places layers of extremely fine, micron size, powdered zinc against a clean metal surface. These fine particles of pure zinc give galvanic protection. They delay rust and corrosion by sacrificing zinc instead of the metal they protect.

Write for complete information on the various Zincilate coatings—tell us your problem. We will tell you frankly whether or not we feel Zincilate will help.

THE WALLACE SUPPLIES MFG. CO.
Dept. BW 1312 DIVERSEY PKWY.
Chicago 14, Ill.

WALLACE BENDING SPECIALISTS BENDERS
Bending Specialists since 1900

No Appliance Price Boost—Yet

GE alone says it will raise prices . . . new field for self-service . . . candy makers worried . . . department stores' market share dips . . . buying habits affect cattlemen.

In consumer retailing this week, the big question is this: Can the heavy appliance market stand another price hike? As the week progressed, the answer was still missing. Prices hadn't officially moved, but everyone in the trade grew nervous contemplating what will happen if they do.

Last week's steel boost (BW—Jun. 20'53,p27) started the ball of speculation rolling. And before the week was out, General Electric Co.'s Roy W. Johnson gave the ball another boot when he announced that GE is preparing to increase prices on some of its large household appliances. (He didn't say what ones.) None of the other white goods makers was talking the same kind of turkey as GE, but it's certain that they're wondering whether they dare pass on the cost rise.

Appliance dealers, already worrying over whether they'll be able to move the manufacturers' tremendous output, weren't looking forward to any move that would increase consumer resistance. One dealer noted that the new, and cheaper, GE automatic washer ($349 instead of $385) has gone over "terrifically" because it's competitive. But he moaned: "Now they may kill all that by raising it again."

Another dealer said that any price increase would have to be absorbed at the dealer level. "To us it'll simply mean bigger discounts, better trade-in allowances, all of which add up to less money in my pocket."

What will the industry do? No one can be sure. But early this week—a full week after steel's increase—none of the appliance makers had passed the increase along.

•

Pick-It-Yourself

Marketing men may well wonder what area self-service will invade next. The latest: orchards and groves.

University of Tennessee marketing specialists are suggesting self-service as a profitable way to sell peaches. For illustration, they point to several growers in Tennessee who now sell their entire crops that way. The grower supplies picking ladders and containers; the customers do the rest.

The idea has also been used in Florida—where, during the orange season, the tourist often sees signs inviting him to stop and pick his own. Strawberries have had the same treatment.

• **What's Gained**—No matter what the fruit, the advantages of pick-it-yourself are the same. When consumers harvest their own fruit, they can get what they want in the way of ripeness, color, and size. The grower benefits through lowered harvesting and marketing costs. Reportedly, damage to trees is slight.

But despite lower labor and marketing costs, the Tennessee growers find themselves wrestling with a new cost factor—promotion. To catch the attention of passing motorists, or to get them to drive out to the orchards, you need advertising. Some of the growers simply settle for big, roadside signs, but others have started advertising in newspapers and on the radio.

•

Curtailed Candy

Candy makers are worried. Americans simply aren't eating so much candy as they used to.

The peak year for the industry was 1944, when total U.S. consumption came to 2.8-billion lb. Per capita consumption was 20.5 lb. In 1951, the latest year for which there are figures, manufacturers' dollar volume had increased nearly a half to reach $970-million. But per capita consumption was down to 17.6 lb.

At the annual convention of the National Confectioners' Assn. in New York City last week, this fact kept cropping up to irritate the 7,000 candy makers present. Particularly galling was the fact that purchasing power had increased so much and that there are many more children to gobble up candy than ever before.

Eying Britain with its per capita consumption of 30.1 lb.—highest in the world—the confectioners wondered what was happening here.

• **Even TV**—They offered various explanations. They blamed the ice cream and soft drink people in their vigorous development of new markets. They even beat television over the head for depressing the attendance at movie houses, where 25% of all candy bars are sold.

But what they failed to explore was the shifting pattern of U.S. eating habits (BW—Sep.6'52,p38).

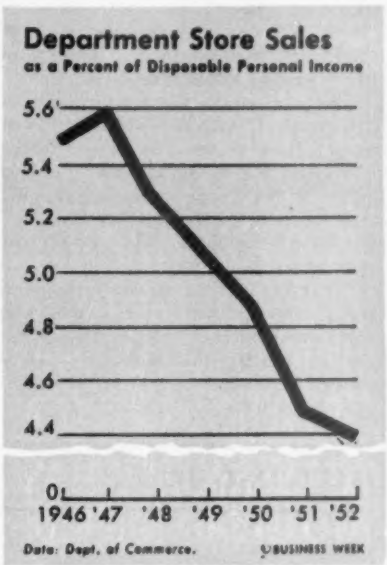
It is ironic that the nation's increasing prosperity may in the end prove the underlying cause for the drop-off in candy consumption. With more money to spend, the country has upgraded its

eating habits. For some years now it has been moving away from starchy foods, like potatoes and grain, and from high-caloric foods in general, toward meat and other high-protein foods, toward green vegetables and dairy products.

• **Tougher**—In other words, the competition among foods has become tougher. And at the same time the nation has been made aware of the evils of overweight as never before.

These two factors—prosperity and a greater knowledge of nutrition—have produced an interesting result: Despite prosperity, the famed American sweet tooth hasn't got any sweeter. In 1935-39, annual per capita consumption of sugar came to 96.2 lb. Last year it was 95.9.

•



Down, Down, Down

Retailers had anxious eyes on the above chart this week. The Controllers' Congress of National Retail Dry Goods Assn. gave it top billing in its 1953 report, Merchandising & Operating Results of Departmentized Stores. The chart nails down how the department store is losing the fight to get its share of the consumer's spending money.

•

The Shrinking Steer

Cattlemen got a word of marketing advice from the American Shorthorn Breeders' Assn. last week. Don't let your cattle get too heavy; there's simply no market nowadays for animals over 1,100 lb.

You can trace the cause back to changing consumer demand brought on by the supermarket. The association reasons this way:



to assure best lubrication

For better operation and long wearing life, air cylinders require a dependable, automatic supply of oil distributed uniformly as a fine film over the entire inner wall. That's why leading producers of air cylinders, such as **Bellows** and many others, use or recommend Norgren Micro-Fog. It produces an extremely fine and uniform air-borne oil fog, distributes it evenly, provides exact control and is automatic.

Flexibility in Design

Norgren Micro-Fog lubrication systems have enabled hundreds of other manufacturers to obtain greater flexibility in product design and plant layout; improve equipment performance; and reduce maintenance costs.

If you are manufacturing or using air operated equipment or have a lubrication problem with high speed spindles, bearings or gear boxes ***be sure the right people in your plant have complete data on Norgren Micro-Fog.*** *Write today.*

PIONEER AND LEADER IN OIL FOG LUBRICATION FOR 25 YEARS

PRODUCTION INCREASED 1000%

A Norgren Air Pressure Regulator, Filter and Micro-Fog Lubricator safeguard the high speed, automatic operation of this compact unit made with 4 Bellows Air Motors and a Bellows Rotary Feed Table. It handles 4 stages in the assembly of valve parts with a production gain of 1000% over the previous methods used.

VALVES • REGULATORS • FILTERS • LUBRICATORS • HOSE ASSEMBLIES

Norgren C. A. CO.
1429 SO. ELATI ST. ENGLEWOOD, COLO.

Specialized Lubrication Engineers in Principal Cities
See the yellow section of your telephone directory.



32 acres of records fit into only 12 cu. feet of filing space!

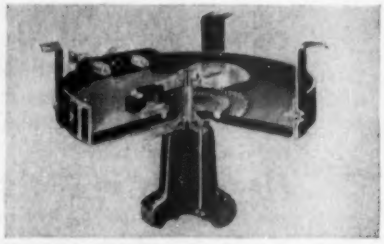
Recordak Corporation uses Ward Leonard rheostats for accurate light control in microfilming

• Over a quarter of a million drawings, 24 x 36 inches, would cover about 32 acres. Yet they could all be put on 50 rolls of 35 mm microfilm by means of Eastman Kodak's Recordak Micro-File equipment. Filing space needed: 12 cubic feet.

This revolutionary advance in filing methods has led some 65 major industries to put billions of documents annually on Recordak microfilm.

Lighting for each exposure on the Micro-File machine must be carefully controlled to accommodate variations in paper texture, color, and reflectivity. The job is handled by a 13-inch Ward Leonard rheostat which adjusts the lamp voltage to meet every requirement.

Setting this rheostat is the only variable manual adjustment required in operating the Recordak Micro-File machine. Accurate rheostat performance helps to assure clear reproduction in every detail of the document being photographed.



13-in Ward Leonard Rheostat used to control lamp voltage in Recordak Micro-File control unit provides 161 steps of smooth, accurate, dependable control.

If your product uses electrical controls, our engineers will be glad to help you select the accurate, dependable controls you need. Write Ward Leonard Company, 68 South St., Mt. Vernon, N. Y. 3.11

WARD LEONARD ELECTRIC COMPANY

Result-Engineered Controls Since 1892

"The consumer is finding it increasingly desirable to shop the supermarket self-service units for his beef, and he overwhelmingly prefers the small cuts." Families and stoves are smaller; women no longer like to fuss with big roasts.

Furthermore, people not only are eating more beef than ever before but they are demanding choice cuts. Comments the association:

"The supermarket, with typical enterprise, has catered to this growing appetite by doing a great job of merchandising beef."

• **Leftovers**—But this great job has had some penalties for the meat industry. There is less and less demand for the less desirable parts of the animal, which pile up more and more as slaughter increases. No wonder that cattlemen "have been looking for the kind of cattle that offer minimum tonnage of these hard-to-move items."

The association has no criticism of this trend. It merely advises cattlemen to get their animals to market early. But where it does quibble with modern habits is the tendency among today's customers to tell the butcher to cut all the fat off the steak. This, thinks the association, is carrying dieting too far.

"It takes fat to make lean meat tasty," says the association. Also, this rejection is building up a surplus of fat that is "hurting the market for tallow almost as much as the trend to detergent substitutes for soap."

MARKETING BRIEFS

Gasoline prices in effect on the New Jersey Turnpike are higher than on nearby roads, according to the Sun Oil Co., which is fighting the granting of monopolies for toll-road gas sales. It finds Turnpike prices are as much as 3.5¢ per gallon higher, and a spokesman says such prices "simply do not reflect competitive conditions on parallel highways."

•

Colored kitchens have moved from the pioneer to the settled stage with the new Sears, Roebuck catalog. Sears is offering steel cabinets in yellow or aquamarine, sinks in yellow or mint green. Wood cabinets come in four colors. The colored fixtures cost about 10% more than white.

•

Price dips made some textile people unhappy. Blue Bell, work clothes maker, passed on to its customers the mills 1¢-a-yd. price cut on 8-oz. sanforized denim, and a lot of manufacturers followed suit. Pacific Mills shaved 5% to 10% off prices of its fitted sheets—and Spring Mills followed suit.



New giant *open-hearth furnace being tapped is one of 12 which have been enlarged from 150 tons to 250 tons capacity per heat. The furnaces occupy three buildings which cover an area nearly equal to 11 football fields. All expansion, outlined in the table below, was accomplished with minimum interference to normal production.*

Here's a Half-Million Tons of New Steel Capacity

Fast becoming a new steel company, Pittsburgh Steel has just completed an open-hearth expansion program that increases its steel-making capacity 48%—the largest percentage-wise expansion completed by any steel company in recent years.

This extra half-million tons of steel capacity is one of the major steps in the company's $62.8-million Program of Progress now rapidly nearing completion. It involved enlarging each furnace—reinforcing the charging floor—lowering the tapping pits—adding 18 new 250-ton ladles—installing three new 300-ton ladle cranes—constructing a new ingot stripper building and a new stripper crane—plus adding other new facilities such as larger ingot molds and slag pots. Thirty months of intense planning and cooperative effort were required to complete this task.

Since these new furnaces will require additional iron, the blast furnaces are being enlarged. The extra steel will feed the new blooming-slabbing mill which is rolling steel for the seamless tube mills, the wire mills, and the new continuous sheet-strip mill which is going through a breaking-in period. Later this year, strip will be further processed in the new cold rolled sheet-strip mill now under construction.

This Program of Progress is designed to strengthen Pittsburgh Steel's ability to serve its customers with a greater volume and a wider range of products—to present greater opportunity to employees—to increase its earning potential for stockholders—to aid in defending our Nation from military and economic aggression from any source.

Program of Progress

Acquisition of Thomas Steel	100% Complete
Increase of Blast Furnace Capacity by 12%	85% Complete
Increase of Open Hearth Capacity by 48%	100% Complete
Installation of new 66-inch High Lift Blooming-Slabbing Mill	100% Complete
Installation of Continuous 66-inch Hot Rolled Sheet-Strip Mill	100% Complete
Installation of 66-inch Cold Rolled Sheet-Strip Mill	80% Complete

Pittsburgh Steel Company

Pittsburgh 30, Pennsylvania



We sponsor this series of advertisements about the Traffic Manager and his job because we believe the Traffic Man is management's answer to better and more economical movement of material.

— Chesapeake and Ohio Railway, Terminal Tower, Cleveland 1, Ohio

The Wooden Indian that Came to Life

The Traffic Manager was intended to be no more active than a "cigar store Indian."

Up to a few years ago this large manufacturing company handled traffic as a purely clerical function of the accounting department. The only reason it created the post of Traffic Manager was that the General Auditor grew tired of being polite to traffic solicitors. As the present Traffic Manager puts it, "Somebody had to talk to the visiting solicitors, so the Traffic Manager was just a sort of cigar store Indian."

"Rates are all the same," the Auditor told him. "They are set by the Government."

Then A Live Wire Got the Job

But presently there came to the "wooden Indian" post a man who was not content merely to sit and listen. He studied rates and rules and routes. Through application of his expert knowledge he was able to show a saving in transportation costs running into several hundred thousand dollars a year. Then, in cooperation with the other departments involved he worked out a new distribution set-up with 34 regional warehouses. Carload shipment gave a freight saving that offset the warehouse cost, so the company was able to give its customers prompt delivery at no added expense.

Today the Traffic Department enjoys equal status with Sales, Engineering, Purchasing; and its head sits with the other department heads on the company's executive committee.

How About Your Company?

Is the chief traffic executive of your company only a "wooden Indian"? Or does his position carry enough weight to permit the traffic department to do all the things it should be doing.

As one of the great carriers of merchandise freight in the country, the

Chesapeake and Ohio Railway

is vitally interested in any plan that will move more goods, more efficiently



"Why don't you talk to the people at Chase?"

"Chase's Foreign Department handles export problems like yours every day."

"You've been so busy lately, Ed, I bet it's great to get away from the plant for a day like this."

"Sure is, Bill. It's been kind of hectic since my company started exporting, and I'm getting worried."

"Exporting? That's something new for you, isn't it?"

"Yes, but it seems there's a real market in Latin America for our products. Orders keep coming in, but what do we know about the risks involved?"

"Sure, I know, Ed. But look. My outfit exports machinery all over the world, and for years we've been depending upon the Chase National Bank for handling our collections. You see, they have a big Foreign Department especially set up to handle just such problems."

"Sounds good. Go on."

"Well, there's more to it than their collection service. Chase supplies current information on credit conditions and import and exchange regulations, and can help you with shipping documents, drafts and the many other things that come up in foreign trade. They've really been a tremendous help to us, Ed. And they can do the same job for you—in fact, next time you're in town, why don't you drop down and talk to the people at Chase?"

"I think I'm sold, Bill. I'll give Chase a ring the first thing Monday morning."

(*Advertisement*)



"That Monday I did talk to Chase"

"My story was an old one to an officer in Chase's Foreign Department. He explained how Chase's overseas branches and correspondent banks provide first-hand information on local trade conditions, as well as serving as collection agents.

"I had an immediate problem: we had just received a large order from a firm in Chile, and we had no previous export experience with that country. The Chase officer quickly checked latest import and exchange regulations in Chile and outlined what steps we should take. He then got a report for us on the prospective buyer. With this information we felt secure in making the shipment and collecting on a draft basis.

"That was months ago. Chase now handles all our foreign collections, and we're delighted with the service we get. Their bulletins and special advices really keep us up to date on our export markets.

"In fact, just through exporting, we've learned how much 'It pays to do business with Chase.'"

Write for a copy of Chase's "Collection Charges for Drafts Payable in Foreign Countries." Address 18 Pine Street, New York 15, or telephone HAnover 2-6000.

It pays to do business with Chase

THE
CHASE
NATIONAL BANK
OF THE CITY OF NEW YORK
[MEMBER FEDERAL DEPOSIT INSURANCE CORP.]

Why Consumers Feel Bullish

Federal Reserve survey shows consumer eagerness to buy is based on rising incomes and savings and leveling prices. But caution grows on investment.

Back in March, the Federal Reserve Board issued a preliminary study of its annual Survey of Consumer Finances. The flash report was highly optimistic. It offered the most bullish picture for consumer buying in three years (BW—Mar.21'53,p27).

This week FRB published the details its researchers picked up when they took their poll early in the year. What they found then has stood up well under the test of time. The survey showed that:

• More people reported feeling financially better off in early 1953 compared with a year earlier than in any previous survey in the postwar period.

• Consumers appeared to be more in a mood to make major durable goods purchases than they had been since 1950.

Consumer purchases of housing, appliances, and autos since then have borne out this original estimate.

On what did consumers base their feelings of optimism?

• **Incomes**—A rise in income was, as in previous years, the big reason for feeling better off financially. This year 38% of all consumers said that their income had risen during the previous 12 months. In 1952, 33% had reported a rise.

Farmers are the one major exception this year. Only 30% said their financial lot had improved since the previous year. In 1952, 43% had so reported.

Of great significance were the groups that did report they were better off—professional and semiprofessional, clerical and sales, and retired. These were the very groups that were being left behind in the general inflation that followed Korea. Now they're feeling less of a pinch.

• **Prices**—As this implies, one of the major reasons given by consumers for feeling in generally better financial shape was the leveling off in prices that began last year. Says FRB:

"The chief reason given for the belief that this was a good time to buy was that prices had stabilized or had come down and that people could now afford to buy. The answers of many consumers appeared to reflect acceptance of the higher post-Korean level of prices which had changed little in the past year."

Many consumers still felt that times were bad for major purchases, primarily because prices were too high. But their ranks had thinned from 52% last year to only 38% this year.

• **Savings**—Consumers gave still a third reason for feeling better off: Their savings were up.

FRB notes that "as part of the fairly general increase in liquid asset holdings, there was a slight decline in the proportion of consumers that owned no liquid assets." (The decline was from 31% to 29%.) The median liquid asset for all spending units rose from $240 in early 1952 to $300 in early 1953. This was a substantial increase, though still well below the 1946 median asset of $400, in both real and dollar terms.

Again, there was a shift within the groups. Says FRB:

"The groups of professional persons and clerical and sales personnel which had the largest increases in median income also had the largest increases in liquid asset holdings. The smallest change in median liquid asset holdings as well as in median income was shown by managerial personnel."

• **Debt Also Up**—Consumer debt also rose during 1952. Here FRB notes that the most prone to get into debt are those in the middle to moderately high ($3,000 to $7,500) income class, especially younger married families with children.

"This finding is consistent with the belief," comments FRB, "that the rapid growth of credit in recent years is related in part to the high rate of family formation during and since the war. Younger families attempt to acquire in a relatively short time the large stock of consumer durable goods that enters into the accepted standard of living."

• **Shift of Mood**—The survey also takes into account investment preferences among consumers, and here it pins down a shift of mood among investors. They are getting more cautious.

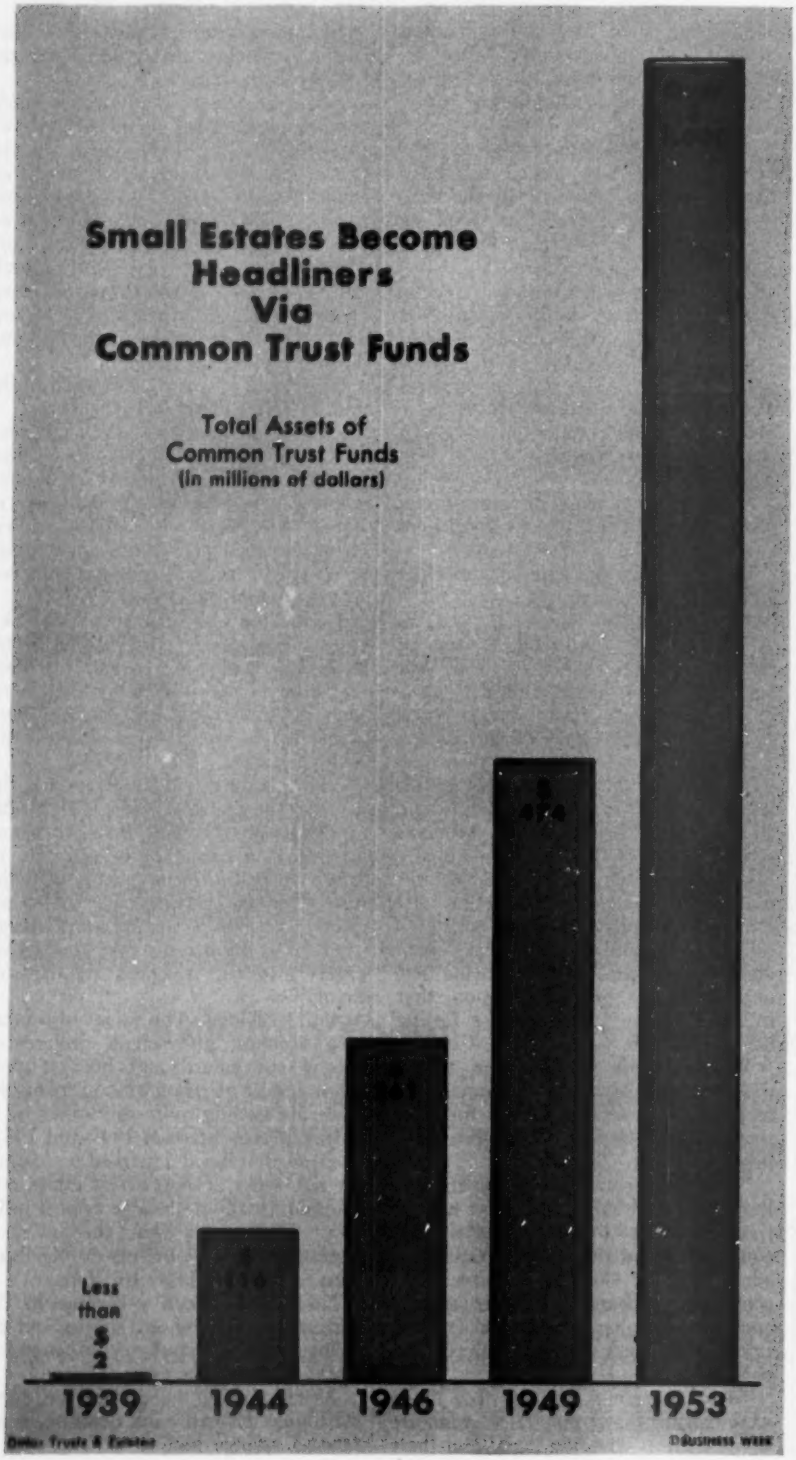
In the years between 1949 and 1952, investors developed a marked preference for risk types of assets—real estate and common stock—as a hedge against inflation. FRB notes that the investors favoring these investments during those years rose from 11% to 26%.

Now FRB detects a decline in the percentage favoring real estate, but no change in the popularity of common stocks from a year ago.

As far as fixed value assets go, more consumers favored bank deposits, fewer favored savings bonds.

FINANCE

Big League Trustees for "Poor" Man



The commingled trust fund—which few people ever heard of before 1939—is the fastest-growing new business department in the trust field today. Basically, it is a device for giving the "little man" with an estate of "under $100,000" personal trust and estate management services once available only to the very wealthy.

Total assets of common trust funds have skyrocketed to over $1-billion (chart left), from less than $2-million in 1939. And they are still climbing.

Altogether, there are 149 such funds in banks and trust companies in 28 states and the District of Columbia; 13 years ago, there were less than a dozen.

• **New Fields**—Moreover, bankers say that opportunities for broad expansion in the small estate field have scarcely been scratched.

The common (or commingled) trust fund works like this: It is a fund handled by a trust company or bank in which cash assets of a number of small trusts are lumped into one that's large enough for diversified investment in a portfolio or bonds and stocks, and, in some cases, mortgage participations. Each small trust benefits in proportion to its stake in the fund.

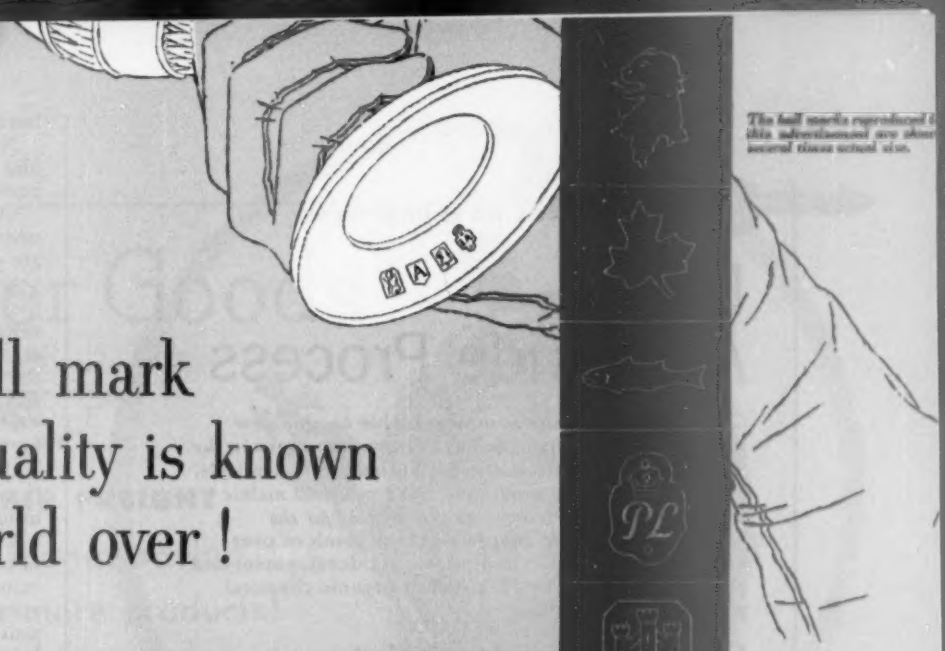
The bonds, as a rule, include a bloc of U.S. government securities. The other bonds and preferred and common stocks are selected from a wide variety of seasoned corporation issues.

• **Units**—"Each small trust acquires a number of units in this general portfolio at a unit value of participation in the fund as of the day the individual trust investment is made," says one trust company, explaining its commingled fund operation. "The participations of the numerous trusts taken together constitute a common trust fund.

"In this way, it is possible for a small trust to have a share in a fund proportionate to the other participants, regardless of increases in the size of the fund or of market fluctuations."

A bona fide fiduciary arrangement is necessary, however, for an individual to participate in a common trust fund. The owner of the small estate must designate the trust company handling the fund to act as trustee or in some other fiduciary capacity.

• **Management**—The commingled trust fund idea, thus, is strictly an estate-management proposition, in which trustee services are desired. It does not compete with the open-end mutual funds that offer investment oppor-



This hall mark of quality is known the world over!

The Accepted T D A Standard CO

EVER since the Middle Ages, fine metal craftsmen have identified their work by means of "hall marks" of distinguishing design. Usually consisting of initials or various picture symbols, these marks express the master craftsman's pride in his finest creations.

But they do more—much more. The hall mark on a piece of gold or silverware reflects the craftsmanship, the reputation, the integrity of the maker. It gives assurance to the buyer that here is a product he can depend on, with material, design and workmanship as stated.

So it is with the trade mark of The Timken-Detroit Axle Company, shown above. It, too, is the hall mark of fine metal craftsmanship—the mark of men who do precision work on the finest of modern metals. For nearly half a century, engineering, design and manufacturing contributions of Timken-Detroit have paced the development of modern motor trucks. This Company's simple monogram tells the buyer that every product so marked comes to him from the outstanding engineering-manufacturing organization in its field.

This is the real reason that Timken-Detroit Axles and Brakes are standard equipment today on the finest of America's trucks, buses and farm vehicles. The Timken-Detroit emblem and its slogan, "The Accepted Standard," simply reflect the facts. Timken-Detroit products *are* the accepted standard—everywhere!

THE TIMKEN-DETROIT AXLE COMPANY

Detroit 32, Michigan

World's Largest Manufacturer of Axles for Trucks, Buses and Trailers

PLANTS AT: Detroit and Jackson, Mich. • Oshkosh, Wis. • Utica, N. Y. Ashtabula, Canton and Newark, Ohio • New Castle, Pa.

SD announces new improved

Maleic Anhydride Process

Complete information is now available on this new process. Maleic anhydride has become important in the fields of low-pressure laminates, agricultural chemicals, plasticizers, coating resins, etc. SD's patented maleic anhydride process, *which can also be used for the production of phthalic anhydride,* is the result of over five years' engineering and pilot plant development and actual plant design by SD's staff of organic chemical plant design specialists.

SD Handles Complete Project

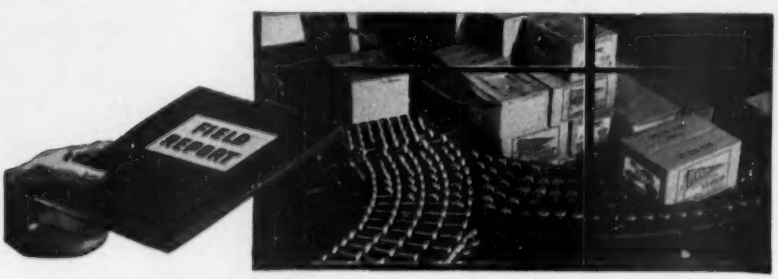
From basic economic evaluations to initial operation, SD takes full responsibility for organic chemical processing projects for your process or one of our own—on a completely confidential basis.

SCIENTIFIC DESIGN COMPANY, INC.

Executive Offices: **2 PARK AVE., NEW YORK 16, N. Y.**

Engineering Offices: Jersey City, New Jersey

SD106



YOU'LL PROFIT FROM THE BEST

of this cost-cutting experience

Experience is a Great Teacher

That's why Rapistan now releases a library of fast-reading data on how firms in nearly every business have turned materials handling problems into profits. In Field Report form, these case histories include photos and details of each problem and its solution.

Write today for the Field Reports you want. They're *full* of ideas, including ways to use your present equipment more profitably.

No charge, no obligation. Check coupon and mail.

Rapistan®

BETTER CONVEYING EQUIPMENT

The RAPIDS-STANDARD CO., Inc.
16 Rapistan Bldg., Grand Rapids 2, Mich.

Please check your business classification:
☐ Manufacturing ☐ Agricultural ☐ Wholesale ☐ Retail

Check reports below which will be of greatest benefit to you:

☐ Aircraft Parts	☐ Heating Equipment
☐ Auto Supplies	☐ Household Appliances
☐ Beverages	☐ Laundry Services
☐ Building Supplies	☐ Leather Products
☐ Canneries	☐ Machine Parts
☐ Chemicals	☐ Magazines, Newspapers
☐ Cosmetics	☐ Meat Packing
☐ Dairy Products	☐ Metal Stamping
☐ Fabricated Metals	☐ Paint Products
☐ Floor Coverings	☐ Paper and Publishing
☐ Food Products	☐ Pharmaceuticals
☐ Freight Terminals	☐ Power Tools
☐ Fruits, Vegetables	☐ Sugar Refining
☐ Furniture	☐ Tobacco Products
☐ Grain and Feeds	☐ Warehousing
☐ Grain Milling	☐ Waste Materials
☐ Grocery Store	☐ Wood Products

There are many other Rapistan Field Reports. If your business is not listed, please tell us about it.

tunities rather than estate management.

Nationally, the common trust fund idea has yet to spread to the smaller banks.

Of the 149 funds, 77 are in four eastern states, and the remaining 72 are principally in larger cities.

Some common trust funds are of the type where the trustee in his investments is limited to issues designated as legal for trust fund purchase by the state in which the company operates.

However, discretionary funds—those in which the trustee is given wider latitude than the legal list—are better than four-to-one favorites among those using commingled trust funds.

Of the more than $1-billion of assets in common trust funds today, it is estimated that around $815-million are assets in discretionary funds and approximately $196-million are in the legal-type funds.

The preference for the discretionary fund, of course, is that it permits the trustee a leeway in investment that can provide a larger income for the beneficiaries.

And, of course, the matter of income is as important to most trust creators as the preservation of principal.

• **Diversification**—One typical commingled trust of the discretionary type in a large city has 40% of its funds invested in government bonds, 10% in other bonds, around 15% in preferred stocks, and about 35% in common stocks. The rate of return on this portfolio runs about 4% or a little better.

Another discretionary fund portfolio—this one in a bank in a medium-size city—has 22% of its assets in governments, 20% in real estate mortgages (57 different loans), 3½% in preferred stocks (seven issues) and 54½% in common shares (68 different companies in 25 industries). The rate of return: better than 4½%.

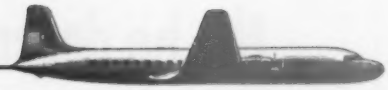
• **Trusteeship**—The main feature—and the big reason—behind the growth of common trust funds is the trusteeship angle.

Funds may be placed in trust in a commingled fund for the benefit of the creator of the trust or for any beneficiaries he may name during his lifetime, and for named beneficiaries after his death.

Even though the creator of the trust may have but a small estate, he obtains the same type of personal trust service—with investment management—that once was available only to men with wealth running into six figures. The fees that may be charged for the handling of common trust funds are fixed by law.

You'll hear more about commingled trust funds as the idea spreads to more small banks.

Lions to Leather Goods



SHIP BY AIR

Every day **AIR FREIGHT** is proving its money-saving advantages for more products!

Airline records show volume users of Air Freight include manufacturers of automobile parts, drugs, electronic equipment, clothing, aircraft parts, office machines, industrial machinery, and producers of many varieties of perishable items.

More and more industries are specifying air freight shipments on giant new 300 mph Douglas transports *for profit reasons!* Air freight saves on insurance-in-transit, crating, interest, inventory, storage space... and gives you distribution where and *when* you need it. Your local airline will supply facts and figures showing how shipping by air can mean a bigger profit margin for you!

Douglas Aircraft Company, Inc.

Depend on DOUGLAS

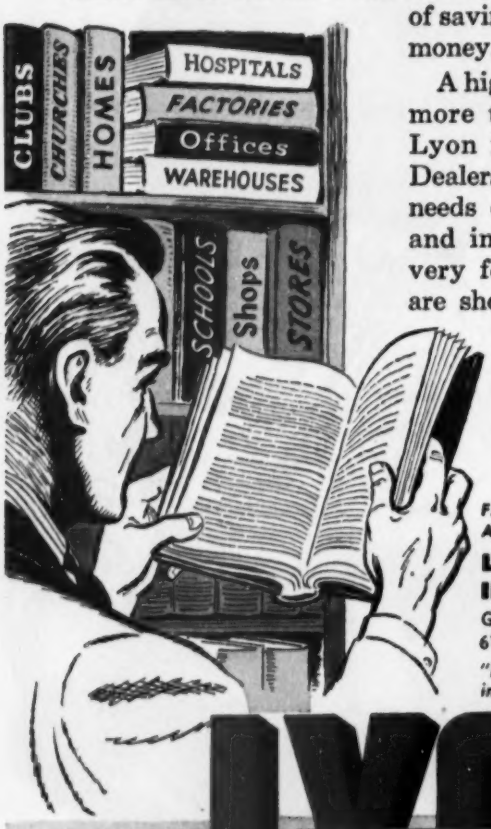
First in Aviation



No, he doesn't know them all like a book . . . but . . .

there's one phase of virtually every business which Lyon Steel Equipment Dealers know "from cover to cover." That phase has to do with helping their customers make the most out of steel equipment in terms of savings in time, labor and money.

A highly diversified line of more than 1500 standard Lyon items enables Lyon Dealers to meet the varying needs of business, industry and institutions—*better.* A very few typical products are shown below.



LYON *also has facilities for special contract work*

FACTORIES IN... AURORA, ILL., AND YORK, PA.

LYON METAL PRODUCTS, INCORPORATED

General Offices:
610 Monroe Avenue, Aurora, Ill.

"Dealers and Branches in All Principal Cities"

LYON®

STEEL EQUIPMENT



for BUSINESS·INDUSTRY·INSTITUTIONS
STEEL KITCHENS for THE HOME

A PARTIAL LIST OF LYON STANDARD PRODUCTS

• Shelving • Kitchen Cabinets • Tool Boxes • Toolroom Equipment • Revolving Bins • Work Benches • Tool Stands
• Lockers • Cabinet Benches • Economy Kitchens • New Freedom Kitchens • Wood Working Benches • Bench Drawers • Hopper Bins
• Stools • Storage Cabinets • Drawer Racks • Display Equipment • Hanging Cabinets • Service Carts • Shop Boxes
• Bin Units • Drawing Tables • Parts Cases • Flat Drawer Files • Folding Chairs • Sorting Files • Tool Trays
• Bin Parts • Tool Cases • Filing Cabinets • Drawer Units • Shop Desks

Easier FHA Terms

That's what builders want, but the Administration is cool to the idea. Congress is thinking it over.

Builders did some hard talking last week before committees of both houses of Congress. They were after an easing of the down payment and maturity terms under which the Federal Housing Administration will insure mortgages.

Among their number was William J. Levitt, mass builder of low-cost homes. Levitt prophesied that, unless the easier terms go into effect, his operations next year will be cut in half.

The Senate Banking Committee this week voted a housing bill that would give the builders much of what they're asking for. How far this bill will get is an open question. The Administration is cool to the idea of easing FHA's rules, and many congressmen would rather defer action on housing until next year.

• **Demands**—What the builders want is: standby authority for the President to ease FHA's rules whenever housing starts threaten to drop off. Specifically, they'd like to get:

• FHA insurance on mortgages valued at up to $25,000. Under today's rules, the limit is $16,000.

• Lower down payment requirements. By present regulations, an FHA buyer of a $15,000 house must have $3,000 in cash. Under the builders' proposals, he'd need only $1,800.

• Longer maturities. Builders would like 30-year FHA mortgages to be available on $12,000 homes. As it is, you can get 30-year terms from FHA only on very low-cost homes—$6,000 to $7,000. Houses that cheap, builders say, are impossible to put up profitably in most parts of the U.S.

• **Backer**—Among the provisions of the housing bill is one approving the so-called "one-for-one" agreements made by the Federal National Mortgage Assn. (Fanny Mae).

Under a one-for-one deal, a builder buys a certain amount of mortgage paper that Fanny Mae has in its portfolio. Fanny Mae, in return, gives the builder a commitment to buy not more than the same amount of mortgages from him. With this commitment, he can borrow construction money and start building his houses. Generally, he quickly gets rid of the mortgages he bought from Fanny Mae by selling them at a discount.

The proposed legislation also increases FHA's mortgage insurance authority by $1.5-billion.



The Plastics Division of Celanese announces the purchase of the Marco Chemical Company of Linden, N. J., and the formation of a special department to manufacture the famous high quality Marco Resins in greater volume.

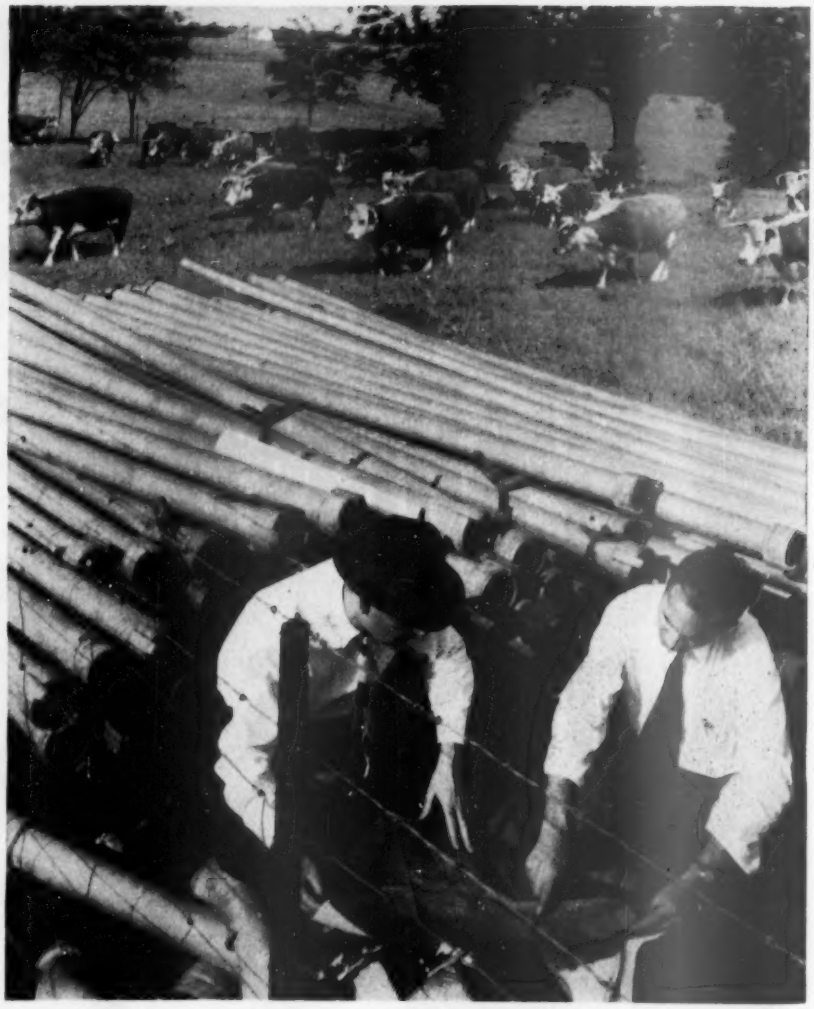
We believe that this merger of interests will result in a Production and Service organization not previously available to manufacturers. It brings together the foremost group of specialists that pioneered low-pressure thermosetting resins, and the unexcelled research facilities of Celanese—leader in the fields of petro-chemistry and plastics.

This organization will make available to industry the benefits of its development work in molding, laminating and advanced fabricating techniques. If you are now using or planning to use polyester resins in your product manufacture, you are invited to call on us immediately for technical and practical help. Celanese can give you technical assistance in Los Angeles, San Francisco, Dallas, St. Louis, Chicago, Cleveland, New York, Atlanta, Georgia and Leominster, Mass. Celanese Corporation of America, Plastics Division, Marco Resins Department 229-F, 290 Ferry Street, Newark 5, New Jersey.

*Reg. U. S. Pat. Off.

Celanese* PLASTICS

Two agricultural scientists, from a large state university, check the blue print for irrigation pipe on Republic's experimental farm.



HERE THE CATTLE ARE GUINEA PIGS

These cattle are linking industry to agriculture—and vice versa. They're on a series of two-acre fields at Republic Steel's experimental farm, where some controlled plots are being irrigated, some not. This determines how much extra grass can be grown from extra water. Then, how much beef results from the additional grass.

Soil ruined by destructive farming can be restored by grass. When depleted areas are returned to high productivity of pasture and herd, the entire community benefits. In fact, the entire nation is richer.

The immediate application of Republic's farm research is that animals must be fenced and Republic makes steel farm fence; that irrigation requires pipe and Republic makes lightweight steel pipe for irrigation, and steel for farm machinery and buildings. But beyond this immediate prospect, Republic's goal anticipates the future.

Agriculture and industry, these are the balance wheels of a nation's independence. Food and steel, these are the foundations of a nation's strength in peace or war. Each must prosper to keep our country strong.

For America to stay healthy, progress must be mutual for *all* who share its economy. Republic's farm experiments are an expression of this conviction. The Republic policy is to *do for* its customers as well as to *sell to* them.

We believe this is an enlightened approach to economics which promotes the continuing welfare of all.

REPUBLIC STEEL

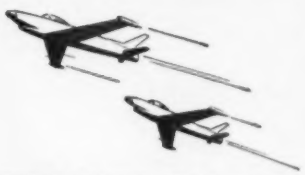
REPUBLIC STEEL

WORLD'S WIDEST RANGE OF STEELS AND STEEL PRODUCTS

REPUBLIC STEEL

Thousands of steels and steel products now bear the Republic name.

How many do you know?



REPUBLIC TITANIUM—High in structural strength, high in corrosion-resistance, yet only 56% as heavy as alloy steel, Titanium is one of the important metals of the future. Republic today is a pioneer producer of this metal.



REPUBLIC COAL CHEMICALS—Through the addition of new coke-oven capacity, Republic has greatly increased its output of coal chemicals. Republic now is a major producer of ammonium sulphate, benzol, toluol, xylol, crude naphthalene, tar and crude pyridine. These are basic to fertilizers, wonder drugs and many synthetics.



REPUBLIC HOT ROLLED BARS—A full line of hot rolled steel bars for every need—rounds, squares, flats, hexagons, octagons, angles and special sections. Republic makes this full line of shapes in a full line of steels—alloy, stainless, high strength and carbon.

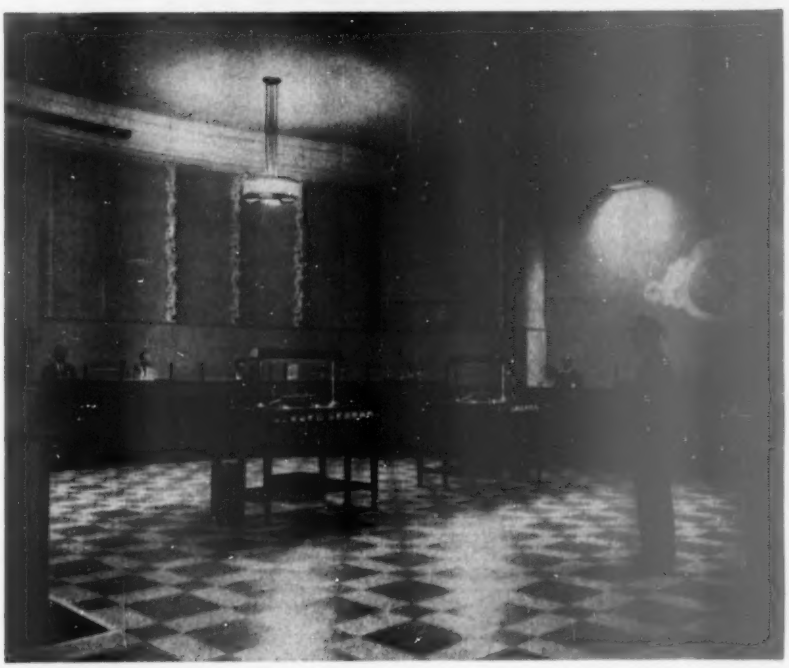
* * *

Republic Steel Today:

ore mines here and abroad; lake and ocean-going ships; coal mines; furnaces and huge steel mills, North and South; steel fabricating plants across the Nation and in Canada; sales offices in principal cities; PLUS 70,000 men and women working together to produce steels and steel products to help build and protect a stronger America. Republic Steel Corporation, General Offices, Cleveland 1, Ohio.



Theater—Converted into a Bank—



Still Keeps Some Bits of Staginess

While it waits for construction of a new building on its old site at Park Avenue and 57th St., National City Bank of New York has moved its Park Avenue branch into what used to be the Park Avenue Theatre. Completely remodeled to house the branch, the theater, nevertheless, has retained a little flavor of the stage. The top picture presents a view of the bank floor from the old motion picture projection booth. In the lower picture, the wall beyond the bank guard once held the movie screen.



in WIRE ROPE, too specialized use calls for the RIGHT KIND of muscle

Tough, wiry muscles stand the Rocky Mountain Bighorn in good stead; give him the sure-footed agility he must have to survive on almost impassable heights.

In wire rope, too, the right kind of muscle is mighty important . . . because different uses present different problems of wear and tear. Bending fatigue. Abrasion. Shock stress. Load strain. Each requires wire rope with the right construction and lay; the right grade of steel and size of wire to best withstand the destructive forces encountered.

Complete quality control from ore to finished rope; long experience and specialized know-how—these are your assurance that in Wickwire Rope you always get the proper combination of physical properties for long-lasting, reliable service on your particular job. For full information see your Wickwire Rope distributor or contact our nearest sales office.

WICKWIRE ROPE A CFI PRODUCT

A YELLOW TRIANGLE ON THE REEL IDENTIFIES WICKWIRE ROPE

THE COLORADO FUEL AND IRON CORPORATION—Abilene (Tex.) · Denver · Houston · Odessa (Tex.) · Phoenix · Salt Lake City · Tulsa
THE CALIFORNIA WIRE CLOTH CORPORATION—Los Angeles · Oakland · Portland · San Francisco · Seattle · Spokane
WICKWIRE SPENCER STEEL DIVISION—Boston · Buffalo · Chattanooga · Chicago · Detroit · Emlenton (Pa.) · New York · Philadelphia

WICKWIRE ROPE
CFI

FINANCE BRIEFS

General Motors common stockholders have reached a new peak of 461,871. This second-quarter figure, says GM, compares with 459,210 in the first quarter. With a shade over 88.2-million common shares outstanding, the average common shareholder's strong box holds about 191 shares.

•

Demand for steel continues high, so Armco Steel Corp., with its mills booked to insure 100% capacity operations throughout this quarter, may earn more than the $28.5-million, or $5.46 a common share, anticipated earlier, says H. H. Tullis, vice-president. Earnings for 1952 were $31.3-million, or $6.01 a share.

•

Common stockholders of Pittston Co., on record June 18, have been offered rights to subscribe to 50,000 shares of 5½% preferred stock. Under the offer, which expires July 8, holders may buy one preferred share at $100 for each 13 common shares held. The new preferred is convertible until June 30, 1963, into common at a price of $25 per common share. Proceeds from the preferred issue will be added to working capital.

•

Gas utility and pipeline companies during the four years 1953-56 will spend close to $4-billion for new plants and expansion of present facilities, says the American Gas Assn. Such expenditures in the four years 1949-52 were $4.7-billion. Around $1.9-billion of the proposed expenditures are for transmission facilities, and the rest distribution.

•

The Southern Railway System—with 8,000 mi. of track—has become the largest completely dieselized railway in the nation, says Harry A. DeButts, president.

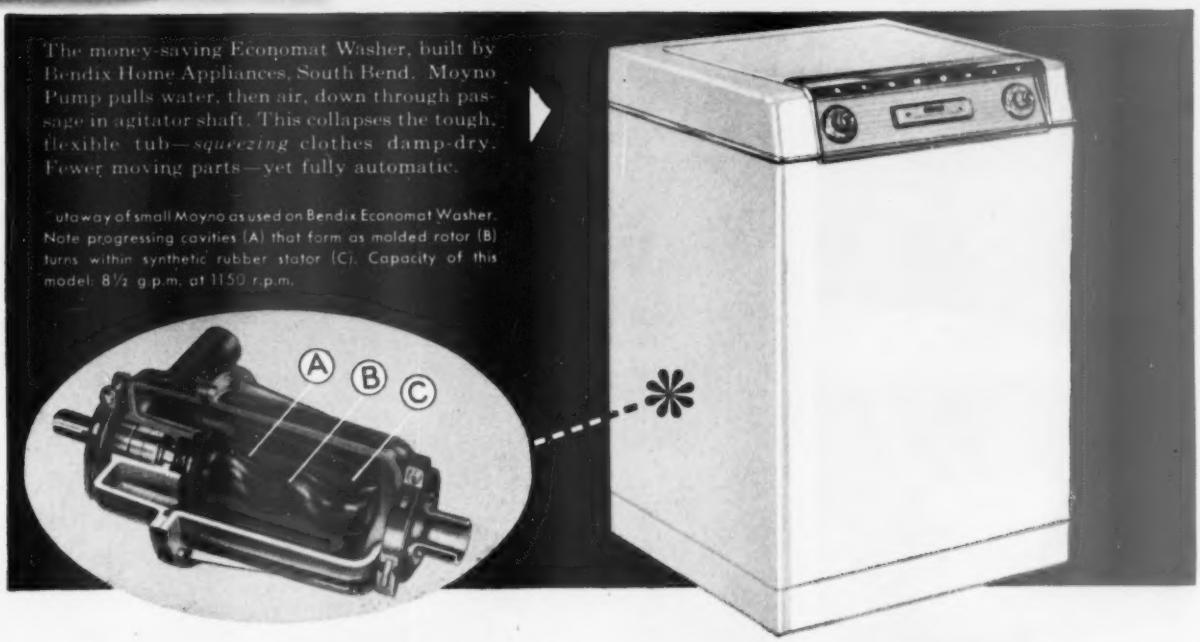
•

Stockholders of Southern Natural Gas Co. have subscribed for nearly $23.2-million of the recently issued 20-year convertible debentures of the company, or almost 70% of the $34.2-million bond issue. Proceeds from sale of the debentures and a $30-million bond issue last month are being used to repay bank loans and finance additions to properties.

•

Republic Steel Corp. has purchased from the RFC for just under $2-million a tin plating plant at Niles, Ohio, that it had been operating under lease for the past 10 years. The plant was built by the government during the war. It cost about $5.3-million. Republic paid rentals totaling around $4.3-million for the 10 years.

The money-saving Economat Washer, built by Bendix Home Appliances, South Bend. Moyno Pump pulls water, then air, down through passage in agitator shaft. This collapses the tough, flexible tub—*squeezing* clothes damp-dry. Fewer moving parts—yet fully automatic.



Cutaway of small Moyno as used on Bendix Economat Washer. Note progressing cavities (A) that form as molded rotor (B) turns within synthetic rubber stator (C). Capacity of this model: 8½ g.p.m. at 1150 r.p.m.

Pump life increased 650% in Bendix Economat Washer

with the versatile MOYNO Pump!

FACTS ABOUT THE MOYNO

the world's simplest pump!

Versatile—Pumps liquid, pastes, abrasive-laden slurries. Adaptable to heavy industrial machinery or small drink dispensers, oil burners, sprayers, etc.

Positive Displacement—Moynos are available to pull up to 29" of vacuum while discharging under pressure. Big Moynos can deliver up to 250 gallons per minute. Pressures up to 600 psi can be obtained. Pumps in either direction!

Gentle—No churning, foaming; won't break up semi-solids. One Moyno is actually pumping potato salad!

Trouble-Free—Self priming; won't cavitate or vapor-lock. Just one moving part—no valves to stick, no pistons to gum up. Low starting and running torque.

An unusual application of interest to builders of products using pumps.

Bendix Home Appliances' answer for a lower-priced fully automatic washer was *fewer moving parts* . . . a flexible tub to contract and *squeeze* clothes dry. Problem: finding an air-water vacuum pump that would do the job.

Bendix tested several different pumps, but none met specifications. The best averaged only 200 cycles before lint, golf tees, buttons and similar foreign particles caused damage and clogging.

But two years ago a completely different pump was first used in production—the R & M Moyno Pump. Specifications required 27" minimum vacuum for a new pump . . . Moynos pulled 28". Specifications allowed a drop to 26" after 1500 cycles . . . Moynos had virtually no drop. In short, Moynos clearly out-performed the other pumps tested, and lasted seven and a half times longer! *Several Moynos still performed well after 3000 cycles . . . equivalent to 10 years of normal washer operation.*

Service? With Moyno Pumps as standard equipment, pump service calls are practically non-existent. Foreign particles don't cause trouble. Lint passes through the Moyno easily, without clogging.

Moynos may help improve YOUR product!

If you use pumps, find out about the Moyno—the world's simplest pump! Your application needn't involve vacuum; possibly you need *non-pulsating pressure.* Nor must you take a "standard" Moyno. If necessary, the progressing-cavity principle can be *adapted* to your requirements, as it was so successfully to the Bendix Economat Washer.

Get more facts!

Returning the coupon below will bring you an interesting, factual bulletin on the Moyno Pump—and how it works. It costs nothing to find out if this problem-solving pump can help you . . . mail the coupon today!

ROBBINS & MYERS, INC.

SPRINGFIELD 99, OHIO • BRANTFORD, ONTARIO



Fractional & Integral h.p. Motors & Generators | Electric Fans | Electric & Hand Hoists & Cranes | Moyno Pumps | Propellair Industrial Ventilating Equipment

Robbins & Myers, Inc., Pump Division, Springfield 99, O.

Gentlemen: Please mail free copy of Bulletin 30-B containing details on construction and operation of Moyno Pumps.

*Name*_____

*Title*_____

*Company*_____

*Address*_____

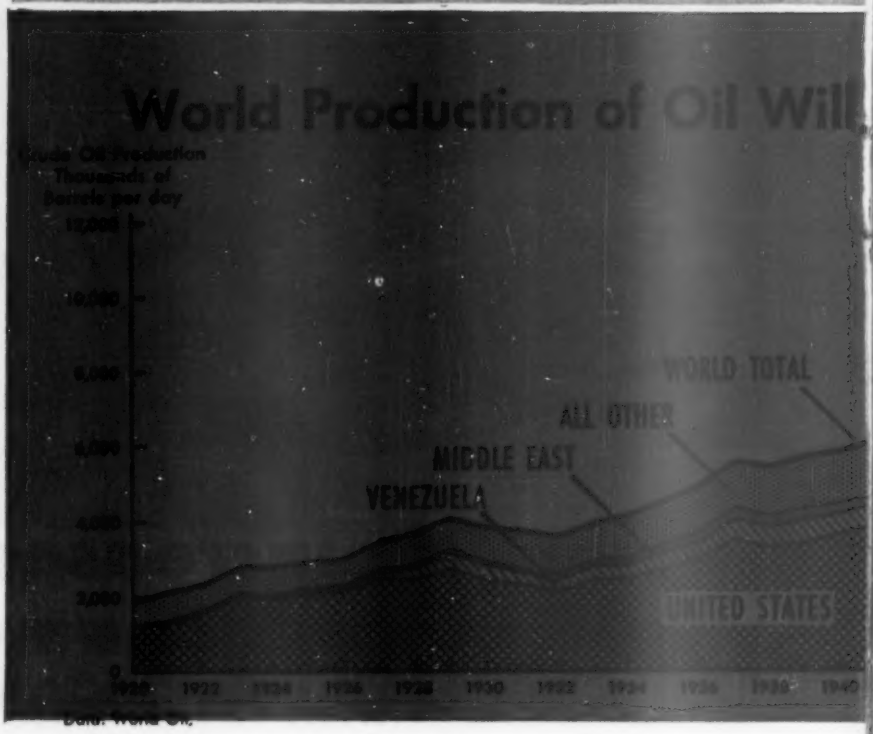
*City*_____ *State*_____ BW 63



Guarding vital finishes . . . of Wright jet housings with **PERMACEL** Paper Tape. No doubt there is an important use for **PERMACEL** on your jobs. Our Tape Engineering Service can give you the answer . . . without obligation.

PERMACEL®
PRESSURE SENSITIVE
PAPER TAPES

INDUSTRIAL TAPE CORPORATION, NEW BRUNSWICK, N.J.



Oil Industry Heads into

A lot of oil experts jumped with surprise last week when a large group of U.S. refiners announced they were boosting the price they would pay for crude.

The increase came in the face of two factors that ordinarily would rule out any thought of a price hike:

• There is enough oil at home—maybe too much. Stocks of both crude and refined products are ample. Demand for oil products other than motor fuel is at a seasonal low, and has certainly been weak anyhow in relation to supplies.

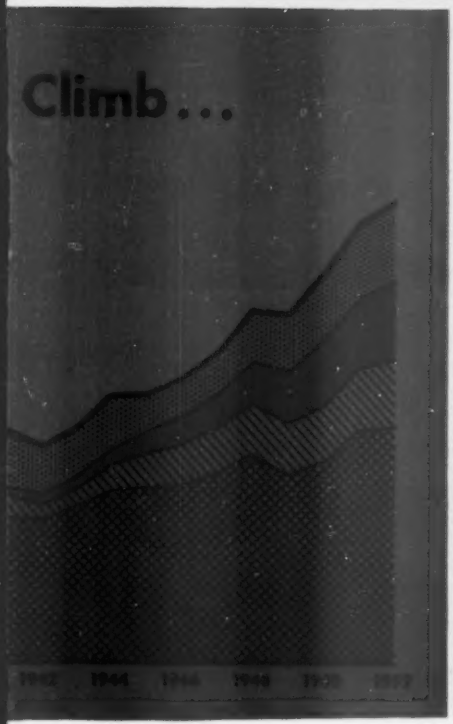
• World-wide, there is a definite threat of surplus production. For more than 10 years production capacity has seemed to be the only limit on what the industry could sell. Now, tooled up to terrific expansion year after year and with world production constantly hitting new peaks (chart, page 72), the industry finds it will have to slow down a bit.

• **Cost Trouble**—From some points of view, though, there is plenty of justification for the U.S. price boost. Prices for crude have been only a shade higher than in 1948, yet every cost of exploration, drilling, and producing has risen substantially. On top of that, U.S. producers are carrying—at government request—a "shut-in" or reserve capacity of close to 1-million bbl. a day. That nonproducing capacity is expensive to carry; and its cost must be tacked onto the cost of the oil that is actually produced.

Whatever the justification, by midweek enough producers had jumped on the bandwagon to make it seem likely that the price increase would stick, at least for a while. It's an open question in the industry whether the boost can be translated into generally higher prices for refined products at the present time.

• **Effects**—Domestic production won't increase as a result of the price rise. Crude output is regulated by several of the big producing states, and that keeps total U.S. supplies (including imports) in step with demand (BW—Feb.21'53,p104). The increased price of crude will provide more incentive for drilling and exploration, and so may well boost reserve capacity, but it cannot of itself bring higher domestic production.

• **Demand**—As for the world picture, take a look at the over-all demand figures (table). In 1950 and 1951, U.S. domestic demand (excluding exports)



...But Slower—As Demand Tapers

	UNITED STATES		FOREIGN*	
1950	6507	12.1	3383	14.4
1951	7041	8.2	4113	14.8
1952	7281	3.4	4383	6.6
1953	7700	5.8	4700	7.2
1954	7950	3.2	5000	6.4
1955	8230	3.5	5300	6.0
1956	8430	2.4	5600	5.8
1957	8600	1.9	5900	5.4

* Excluding Iron Curtain Countries

a New Kind of Market

for crude and refined products increased an average of 10% a year. In 1952 the gain fell off to 3.4%. Estimates of 1953 demand have pointed to a gain for the year of about 6%; actual first quarter gain was 4.6%. Demand outside the U.S. has been increasing much more, percentagewise, than in the U.S.—for the obvious reason that, over-all, countries outside the U.S. have much further to go in their motorization and industrialization. But the general ups and downs of the demand curve follow much the same pattern. In 1950 and 1951, demand outside the U.S. (excluding Russia and the satellites) averaged a 14.6% gain; in 1952, 6.6%; for 1953, estimates are 7%.

Beyond 1953, estimates depend, of course, on what you think the level of defense expenditures and general business activity is going to be. The further ahead you go, the more they become "guesstimates." But, assuming neither a full scale war nor a drastic business recession, the consensus seems to be that U.S. demand will taper off to an increase of around 2% a year; foreign, 4% a year.

• **Excess Capacity**—Actual production, world-wide, will adjust to demand, since over the long run the industry will not produce more oil than it can sell. In 1952 the free world could have produced some 2-million bbl. a day more than it did—with about 1-million bbl. of this excess "producibility" in the U.S., most of the rest in Iran, which was shut down by the row with the British. With the industry geared to fast expansion, current estimates are that this excess capacity—in producing wells, in refining, and in transportation—will continue through 1954, then drop to somewhere around 1.7-million bbl.

Remember, as you gaze into the crystal ball, that even more things can effect producibility than can effect demand.

• **Imports**—This growing abundance of world supplies and capacity to produce will have important effects on the U.S. oil industry. Oil is one of the commodities at the center of the current "trade or aid" controversy. There are some 25 bills in Congress aimed at curbing, in some way, the flow of foreign oil to the U.S. Imports went up 13% in 1952; the Bureau of Mines predicted at the beginning of this year that they would rise another 9% in 1953. In 19[illegible] imports filled some 12% of total U.S. demand. The volume is



* from HYSTER®
one of the oldest names in materials handling

Wherever materials are moved—you'll find Hyster on the job...reducing handling costs by as much as 75%! Progressive industry leaders everywhere depend upon Hyster Dealers for NEW profit-building IDEAS applicable to *their own particular industry.* Because of their everyday contact with *all* industries, Hyster Dealers are in an advantageous position to originate or pass on these ideas... ideas that so *often* have changed profit-eating into *profit-making* situations...ideas that can help you to *spot* and *stop* profit leaks in *your* business! Start your move toward *higher* profits by calling your Hyster Dealer *today.* Or write for Catalogs 1258 and 1266 to:

HYSTER COMPANY
2907 N. E. Clackamas St....Portland 8, Oregon
1012-07 Myers Street.... .....Danville, Illinois



THERE'S PROFIT IN HYSTER POWER

HYSTER COMPANY—Four Factories: Portland, Oregon; Danville and Peoria, Illinois; Nijmegen, The Netherlands

today's

"wonder drug" for industry

NOW...when it's needed most... the greatest cost-saving, labor-saving industrial development in a decade.

If you manufacture parts that require finishing of any kind, here's a great new development that will give you ALMOST UNBELIEVABLE COST REDUCTIONS.

Supersheen Speed Finishing is an absolutely new basic approach to finishing — and is the lowest-cost finishing method known today.

WHAT DOES SUPERSHEEN SPEED FINISHING DO?

This new development eliminates all previous time-consuming operations like filing, grinding, polishing, blasting, buffing. It does away with costly hand deburring, and other hand operations requiring the use of large quantities of expensive materials and extremely costly skilled labor — reduces production bottlenecks — saves valuable floor space — increases plant production capacity.

NEARLY ALL TYPES, SIZES OF PARTS FINISHED TO MICRO-EXACTNESS

Nearly all types of metal parts — stampings, castings, forgings, machined parts — FERROUS OR NON-FERROUS can be simultaneously finished by the SUPERSHEEN process to absolute micro-exactness.

Parts now being successfully SUPERSHEENED range in size from very small to large parts, such as jet engine blades and large gears.

Typical savings range from 48% on a threaded cast iron pipe "T" — to a 95% savings on a steel trigger with intricate configurations.

WHO USES THE SUPERSHEEN PROCESS?

Hundreds of corporations, from the very small to the world's largest. Among them GENERAL MOTORS CORPORATION, TIMKEN ROLLER BEARING CORPORATION, EASTMAN KODAK CO., GENERAL ELECTRIC, BENDIX CORPORATION, WESTINGHOUSE ELECTRIC CORPORATION, REMINGTON RAND, INC., MINNEAPOLIS HONEYWELL REGULATOR CO., and CURTIS-WRIGHT CORPORATION.

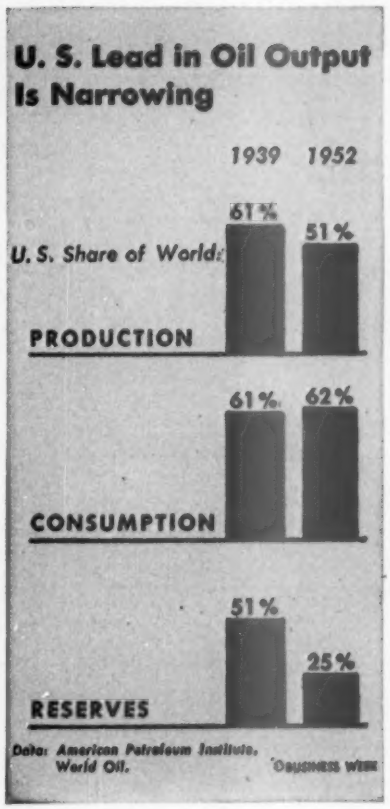
FREE SAMPLE PROCESSING. Supersheen Research Laboratories will finish — at no cost to you — your sample parts under actual shop conditions and furnish you complete cost, time and procedure data.

Write today for new 52-page booklet "Advanced Speed Finishing". Gives detailed description of Supersheen process and illustrates hundreds of actual Supersheen finished parts.

ALMCO SUPERSHEEN, Albert Lea, Minnesota

ALMCO Supersheen SPEED FINISHING

WORLD'S LARGEST SELLING LINE OF BARREL FINISHING EQUIPMENT, MATERIALS AND COMPOUNDS

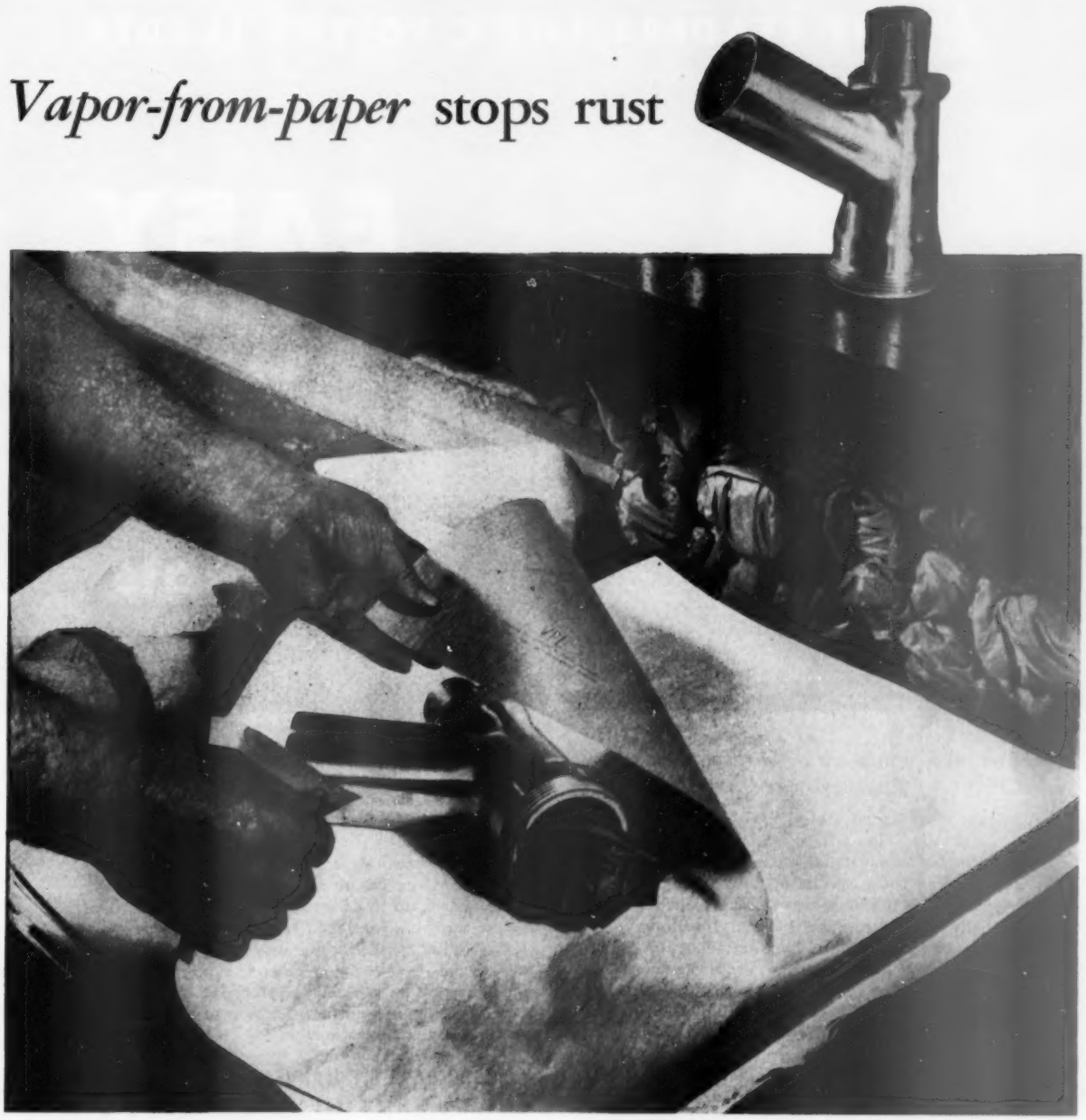


close to 1-million bbl. a day, about equal to U. S. reserve capacity.

Importing companies say that it is impossible to turn foreign production on and off at will, and that it is necessary to maintain a healthy oil industry abroad as well as in the U. S., as a supply base for the whole free world. Altogether, the world supply situation points to continuing pressure toward increasing imports—with corresponding pressure from domestic producers toward reducing them. A case in point: Since the end of World War II the Middle East has become a major source of world oil (chart, page 70). That's just one of the reasons why the U. S. has to keep countries like Iraq, Iran, Saudi Arabia, and Kuwait on its side, and out of Communist hands. In all of these countries the oil industry is by far the biggest source of government revenue and the backbone of the economy. Middle East oil expansion will have to be slowed to some extent but any serious cutback might get us into real trouble with these governments.

• **Exports**—Barring restrictions, imports can be expected to stay at least level and maybe to go up. U. S. exports will continue to decrease. Eastern Canada, the most important foreign market for U. S. crude, is getting an increasing part of its requirements from western Canada. Foreign refining capacity, particularly in Europe, expanded very rapidly in 1951 and 1952. As a result, foreign

Vapor-from-paper stops rust



Angier VPI Wrap saves greasing, saves degreasing!

The business end of a meat chopper is housed in that shiny part you see above.

It's a chopper bowl, machined and then polished to a high finish to enhance its appearance. "To protect and preserve this finish", says Toledo Scale Company, "we use one of the most efficient and modern methods of packaging yet devised. VPI paper safeguards the part in stockroom and warehouse. When delivered to the customer's store, a salesman is saved valuable time in setting up the Toledo Chopper. *He has no cleaning or stripping of preservatives to do.*"

Angier VPI* Wrap is cutting packaging costs in *every* branch of metal-working. For FREE facts on *how it works* and *what you can save*, send coupon now.

*Ⓡ Vapor rust preventive. Angier VPI Wrap (2 gram) is made to conform to the government's specification on volatile rust inhibitors.

Angier

Protective Papers for Industrial and Building Needs — Since 1895

Angier Corporation, Framingham 7, Mass.
Send facts on Angier VPI Wrap as applied to:

- ☐ Machinery-Industrial, Farm, Office, etc.
- ☐ Electrical Machinery, Appliances.
- ☐ Transportation Equipment.
- ☐ Fabricated Products.
- ☐ Steel in process.
- ☐ Ordnance Equipment.
- ☑ Instruments, clocks.
- ☐ Other.

Sign below and clip to letterhead.

Does *your* management know about VPI?

THE LEADERS LOOK TO THE LEADER



EASY WASHERS use C/R Oil Seals

One secret of the outstanding success of the Easy Washing Machine is the special oil used in the gear-case assembly. This lubricant is of so high a quality that it normally lasts for the entire life of the machine.

There can be no doubt, likewise, about the lifetime performance of the oil seal that keeps this fine oil in, and dirt out.

The day-in and day-out utilization of a washing machine over long years of household service is a severe test of all working parts. Easy Spindriers are famous for long and trouble-free performance. A C/R oil seal, with Sirvene synthetic rubber sealing member, guards this smooth functioning at the very heart of the machine —the gear case.

Another example of a leader looking to the leader, for research, engineering and manufacture of the highest type. If you have a particularly tough oil-sealing problem, where failure simply cannot be allowed to occur, put it up to Chicago Rawhide engineers. This sort of thing has been their specialty for 30 years.

C/R oil seals, the most widely used, are stocked in over 1800 sizes covering 16 different types, for immediate delivery. Our booklet, "Engineering with C/R Oil Seals," belongs in your files. Allow us to send it to you, without cost or obligation.

CHICAGO RAWHIDE MANUFACTURING COMPANY

1301 Elston Avenue **OIL SEAL DIVISION** Chicago 22, Illinois

● ***More automobiles, farm equipment and industrial machines rely on C/R oil seals than on any similar sealing device.***



75 C/R TWENTY-FIFTH ANNIVERSARY

PERFECT *Oil Seals*

". . . oil men tell you privately that Britain's claim to Iranian crude is at least dubious . . ."

OIL INDUSTRY starts on p. 70

demand for U.S. refined products will drop. Countries like France, Germany, and Italy will not only supply their own needs but compete with the U.S. in exporting their excess. The Bureau of Mines has estimated that U.S. exports will fall 16% in 1953; other estimates foresee an even greater drop.

The really touchy part of the outlook is Iran. When Iran shut down in mid-1951 it was producing some 700,000 bbl. of crude oil per day, and refining some 500,000 bbl. of it at Abadan. That's a sizable portion of world production. In the crisis after the shutdown, other countries, particularly in the Middle East, stepped up production sharply. By the end of 1952 the loss from Iran had been more than made up.

Should Iran step back into the picture tomorrow, experts agree that it would be a long time before Abadan could refine anywhere near 500,000 bbl. a day. But crude production could be started up almost immediately in volume. Premier Mossadegh has offered to sell Iranian crude at 50% off the world price. So far there have been few takers—largely because Britain has threatened to sue to recover any oil, crude or refined, that comes out of Iran. But oilmen will tell you privately that while Britain may have legal claim to the refining facilities, its claim to Iranian crude is at least dubious. Britain recently lost a suit to block sale of Iranian oil in Japan.

• **Cut Rate**—When Iranian oil comes back on the market production in other countries will have to make room for it. Much depends on whether this can be done in an orderly way. There is a current surplus of tanker tonnage, so that Iran's crude could be moved. With a 50% rake-off from the world price refiners would be strongly tempted to buy. If Iran succeeds in dumping her oil on world markets it could create a crisis as big as the one when she took it out.

In 1951, when Iranian production stopped, a group of American companies, at the behest of the U.S. government, got together to cope with the situation. They not only increased production but rerouted world oil flow to take care of Iran's former markets. The companies got specific antitrust immunities to do the job—immunities which former Attorney General McGranery removed as one of his last acts in office. Now, Defense Mobilizer



Cool as living in the pine woods!

CROSLEY Room Air Conditioner

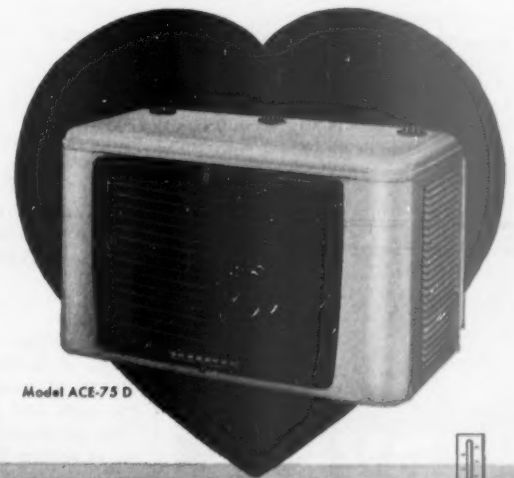
cleans as it dries as it cools the air you breathe!

Now, *comfortable* coolness on the hottest days—air conditioning at its best with the revolutionary new 1953 Crosley.

But more! Crosley "conditions" air. *Cleans* it of dirt, dust, soot. *Dries* air—eliminates "sticky-weather" humidity. *Circulates* air without bothersome drafts. *Ventilates* your room all year round. *Exhausts* stale air—whisks away odors.

Put yourself in the CROSLEY Comfort Zone—see the five new 1953 models at your Crosley Dealer's today. Crosley Division, AVCO Manufacturing Corp., Cincinnati 25, Ohio.

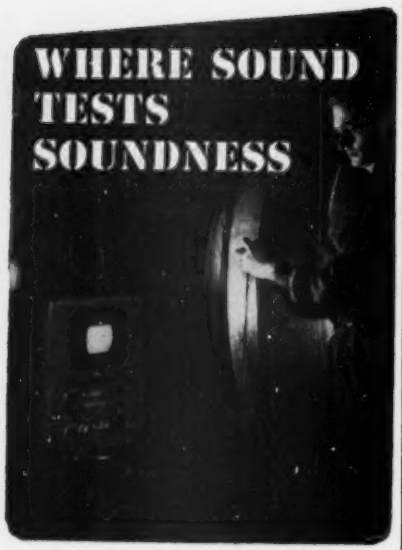
SET YOUR HEART ON CROSLEY



Model ACE-75 D

Put Yourself in the CROSLEY Comfort Zone

In Canada: Crosley Radio and TV, Limited, Toronto, Montreal.



MIDVALE ULTRASONIC TESTS ASSURE QUALITY BEYOND THE CALL OF SPECIFICATIONS

Sound Waves "bouncing" up to ten million cycles per second seek out and find the smallest defect . . . assure quality forgings at Midvale . . . Ultrasonic waves able to penetrate thirty feet of the toughest steel.

In addition two million volt X-Ray unit . . . magnetic particle inspection . . . "black light" . . . dye penetrants are but a few of the many ways Midvale craftsmen safeguard unsurpassed quality.

Midvale precision and performance can supply all your needs for heavy equipment in industry. Pressure vessels . . . hardened and ground steel rolls . . . weldless rings . . . forgings . . . heat and corrosion resistant castings. If the job is big, specifications exacting, peak quality a "must", you can rely on Midvale craftsmen.

THE MIDVALE COMPANY

NICETOWN, PHILADELPHIA 40, PA.
Offices: New York, Chicago, Pittsburgh, Washington, Cleveland, San Francisco

MIDVALE

PRODUCERS OF FORGINGS, ROLLS AND RINGS, CORROSION AND HEAT-RESISTING CASTINGS

Arthur Flemming has asked 14 American oil companies to join in a new voluntary agreement—again with specific antitrust immunities. A Foreign Petroleum Supply Committee would be formed to do the very important job of gathering statistics on foreign capacity, demand, and supply. The committee would also be available for a new "plan of action" if the need should arise.

• **What's Normal?**—Actually, the oil industry has had nothing like "normal" conditions for years. During World War II and the early postwar years the big problem was to expand facilities in step with the enormous increase in demand.

In 1949, with the aid of a mild business recession, the industry finally found itself with a small margin of capacity over current demand. Then, in 1950, came Korea, and the race was on again. In 1951 came Iran.

Now, barring another war, the industry's problem is to adjust to a relative abundance of oil—and then continue to grow with demand. The Paley Commission (BW—Jun.28'52,p160), in its report to the President on basic commodities, projects that over the long, long run U. S. demand for oil will be 110% higher in 1975 than in 1950; demand for oil in the free world outside the U. S. is going to be approximately 275% higher. So the industry abroad will grow more rapidly.

COMMODITIES BRIEFS

Copper pricing may soon change over to a flat price (or fixed price as of date of sale) basis. While the large refiners are still selling on a price-date-of-shipment basis, the generally easier copper market (BW—Apr.25'53,p123) caused some custom smelters to shift to the flat price.

•

Farm exports for the year ending June 30 are about 30% under last year, says the Dept. of Agriculture. Commodities that lost the most are cotton (a 35% to 40% drop), and wheat—about a third under last year. The drop in exports is one reason for the government's price-dropping troubles.

•

More storage space: The Agriculture Dept. is in the market for 50-million bu. of extra capacity to take care of the big corn and wheat supplies this year. The quest comes after an unsuccessful try at getting farmers to increase storage space on their own farms. Crops must have adequate storage to qualify for price support loans (BW—Mar.21'53, p150).

keep your
PRIVATE PAPERS
and records handy



the perfect companion to Peerless metal desks

get a PEERLESS DESK HIGH CABINET

These convenient, smartly styled desk-side filing cabinets are designed for the executive's office. Hold personal letters, papers and card records under lock and key yet within arm's reach. Can be furnished in a wide selection of natural colors and several wood grain finishes. Satin aluminum hardware. Linoleum tops if desired. Letter or legal widths. Card file drawers may be installed in place of one or both regular drawers. Ask your dealer or write us for new Catalog "6600". Please use your business letterhead.

PEERLESS

PEERLESS
STEEL EQUIPMENT CO.
6610 Hasbrook Ave. Philadelphia 11, Pa.
New York • Chicago • Dallas • Los Angeles

KALAMAZOO LABEL CO.
Quality
LABELS
Since 1906
Kalamazoo, Mich.

4,000,000 PER DAY
MOST MODERN LABEL PLANT IN AMERICA

Complete air conditioning and high speed, automatic equipment give us the edge—BETTER quality, FASTER delivery and ATTRACTIVE price on practically any paper label job. Let us demonstrate. Write for quotation today.
KALAMAZOO LABEL CO., 301 W. Ransom, Kalamazoo, Mich.

U.S. AIR CO.
UNITED STATES AIR CONDITIONING CORPORATION
DEPT. BW MINNEAPOLIS 14, MINNESOTA

• Heating
• Ventilating
• Refrigerated Air Conditioning

"clues"—Is the classified advertising section of BUSINESS WEEK. Write for information.

Tidelands Oil . . .

. . . won't produce any oil fortunes overnight—if at all, warns the National Petroleum Council.

Opening up the tidelands for oil drilling isn't going to make any millionaires or change the economics of the oil industry overnight. It will be a slow, costly business. And it will demand a tremendous investment.

That's the conclusion that the National Petroleum Council has reached after a year's intensive study. NPC is a permanent industry advisory committee that works with the Interior Dept. Hence, its report is about as close as you'll get to an official industry position on the subject.

• **Big Stake**—During the long fight over whether the tidelands belonged to the federal government or the states, President Truman estimated that $80-billion worth of oil lay beneath the submerged lands off California, Texas, and Louisiana. That may be true, says NPC. But it adds that the final settlement—giving the states title to all the oil lands out to their traditional seaward boundaries—won't start any drilling boom.

Costs will be too great. It is going to take a staggering amount of time and money to get the tidelands oil into anybody's gathering tanks. For a long time, the operation may cost more than it yields in revenue. The tidelands offer virtually no opportunity to the independent wildcatter with his limited funds. Hence, even if the states are ready to lease the tidelands, the industry will be slow to move in.

• **Cost Squeeze**—On the average, it will cost more than twice as much to develop producing wells in the offshore areas as on dry land, the council found. In many cases, a well may cost five times that of an equivalent one on land. Take a look at some actual figures.

Installations and equipment to drill, say, 10 wells in 60 ft. of water in the Gulf of Mexico from six platforms would cost more than $5.7-million. The same number of wells on dry land would take only $1-million.

Actual drilling cost estimates run between two and three times more than on land. The tab for drilling five vertical and five directional holes to depths ranging from 10,000 ft. to 12,000 ft., for instance, would total $8.2-million, compared with $3.2-million on land.

• **Bad News**—This ominous report came from a committee set up by the National Petroleum Council more than



Now You Can Make Your Products Lighter with the POWER PRODUCTS *Lightweight*

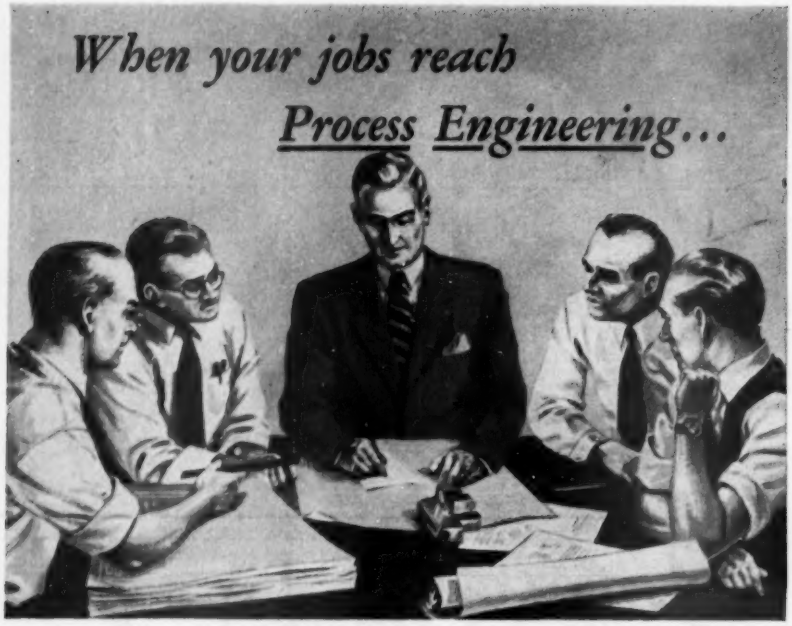
Give your customers a break and your products a big sales boost . . . go lightweight. The Power Products Lightweight 2-cycle engine has created a new trend in portable power equipment.

The Power Products Lightweight gives you all these features.

- LIGHTWEIGHT
- MINIMUM EFFORT STARTING
- LONG LIFE, LESS MAINTENANCE
- FULL CARBURETION
- BALL BEARING MAIN BEARINGS
- SEALED, DRIP PROOF CRANKCASE
- FULLY ENCLOSED, FLY-BALL GOVERNOR
- NO OIL CHANGING OR CHECKING
- CLOG FREE COOLING SYSTEM

POWER PRODUCTS CORPORATION

GRAFTON, WISCONSIN



. . . call FEDERAL in for Gage Engineering!

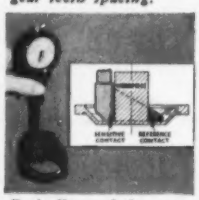
WE FIND CASE AFTER CASE where process engineers specify and build entirely new gage designs when a quick modification of a Federal catalog gage would do the job better, faster, and at less cost. When you start to process your jobs, that's the time to take advantage of our years of experience in designing every sort of dimensional visual gage: at Federal we know the basic difference between designing and building precision gages and designing other mechanical products.

Designing precision gages requires knowledge of how to *magnify* and *transfer* measurement variations *precisely*, without loss of motion — with a minimum of friction and inertia in the working parts — and a hundred other details which do not concern the usual tool and machine designer.

Call in Federal when you *start* processing a job and let us engineer your gages for you. Federal Products Corporation, Providence 1, Rhode Island.



Regular Federal Snap Gage modified to inspect gear teeth spacing.



Basically a hole gage, modified to measure O. D.



Three indicating depth gages modified to suit special requirements.

FEDERAL

Largest manufacturer devoted exclusively to designing and manufacturing *all types* of DIMENSIONAL INDICATING GAGES

FEDERAL PRODUCTS CORPORATION • 126 Eddy Street, Providence 1, R. I.

☐ I would like to discuss a gaging problem with you.

I am interested in the latest improved gage or gages below:

☐ Dimensional Dial Indicators
☐ Dimensional Dial Gages
☐ Dimensional Air Gages
☐ Multi-dimension Gages
☐ Continuous Measuring Gages
☐ Automatic Sorting Gages

Name.....
Company.....
Street.....
City.....
State.....

a year ago to survey the potential availability of petroleum in the tidelands.

The group, made up of experts on tidelands exploration and drilling, did not even hazard a guess on the ultimate amount of oil and natural gas that may be discovered and produced. But on two points it was positive: Years will pass before any sizable production can be expected from the Gulf of Mexico, and prospects for adding greatly to production off the shore of California are not too bright.

• **Poor Showing**—In fact, the committee estimated that after five more years of active exploration and drilling in the Gulf, the most the nation can expect to produce is between 70,000 bbl. and 100,000 bbl. a day. How puny this production is shows up when you compare it with the 6¼-million bbl. the U. S. coughs up today, and the national daily consumption of more than 7-million bbl.

The industry experts believe that an added production of 100,000 bbl. a day can be obtained in the Pacific Ocean in the same period, but only if California amends its drilling law to permit well drilling from platforms off the shore. Under existing law, all drilling starts from land and is slanted out under the water.

• **No Rush**—Obviously, there will be no stampede into the submerged lands such as followed the inland discoveries in Texas, Oklahoma, and other states —even on the part of the big oil companies. In fact, it may be some time before actual new operations are started.

President Eisenhower's signing of the tidelands act, restoring full title to the offshore lands to the adjacent states out to historic boundaries, is only a first step (BW—Dec.27'52,p32). Congress still must set up federal control and leasing machinery for the underwater area in the Continental Shelf—an as yet undefined extension of the U. S. coast. The big question the states and the federal government are still arguing: What part of the shelf belongs to the states and what part to the federal? And the argument may take several years.

• **Holding Off**—Moreover, the threat of litigation to test the validity of the tidelands bill passed by Congress this year still hangs over their heads. Officials of several of the largest lease-holding companies have indicated that they will not risk any more big capital until such litigation is decided, or until it's clear that none will be filed.

• **Strictly Limited**—In their report, the experts agree that the opening of the Continental Shelf to drilling operations may eventually add great quantities of oil and gas to the nation's reserves. But for the present at least, development beyond the traditional boundaries of the states will be strictly limited.

D A *products are keyed to basic human needs*



We added DARALON *to innersoles . . . and caused a*

REVOLUTION IN SHOE COMFORT

Even women's shoe manufacturers who have used DAREX Innersoles for 22 years are amazed at the suppleness and comfort of shoes built around new DAREX Innersoles with DARALON!

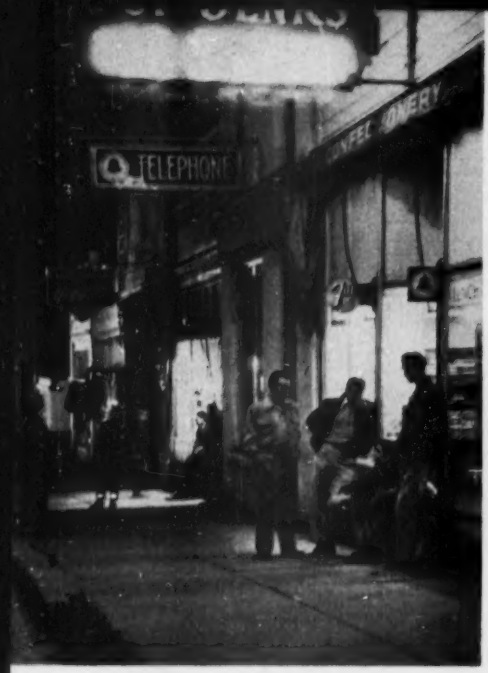
Flex a *new* DAREX Innersole and you feel the difference immediately! And that's not all. For DAREX Innersoles with DARALON offer "just-right" cushioning support. Their resistance to piping or wrinkling, and their superior cementing properties insure lasting comfort. In all, they provide women's shoe manufacturers with *everything they need in an innersole;* yet they are sold at non-premium prices.

Helping shoe manufacturers build extra comfort in women's shoes is just one of the ways that Dewey and Almy chemical specialties work for industry — and for you. These products include sealing compounds for food cans, adhesives and CRY·O·RAP bags for packaging, battery separators, shoe materials, chemical products for the construction industry, giant balloons that help forecast the weather, organic chemicals, textile printing products, soda lime.

We'd like to tell you more about DAREX Innersoles. Tell us your problem and we'll write, wire or phone you.

D A **DEWEY and ALMY**
Chemical Company
Cambridge 40, Mass.

Plants and sales offices throughout the world



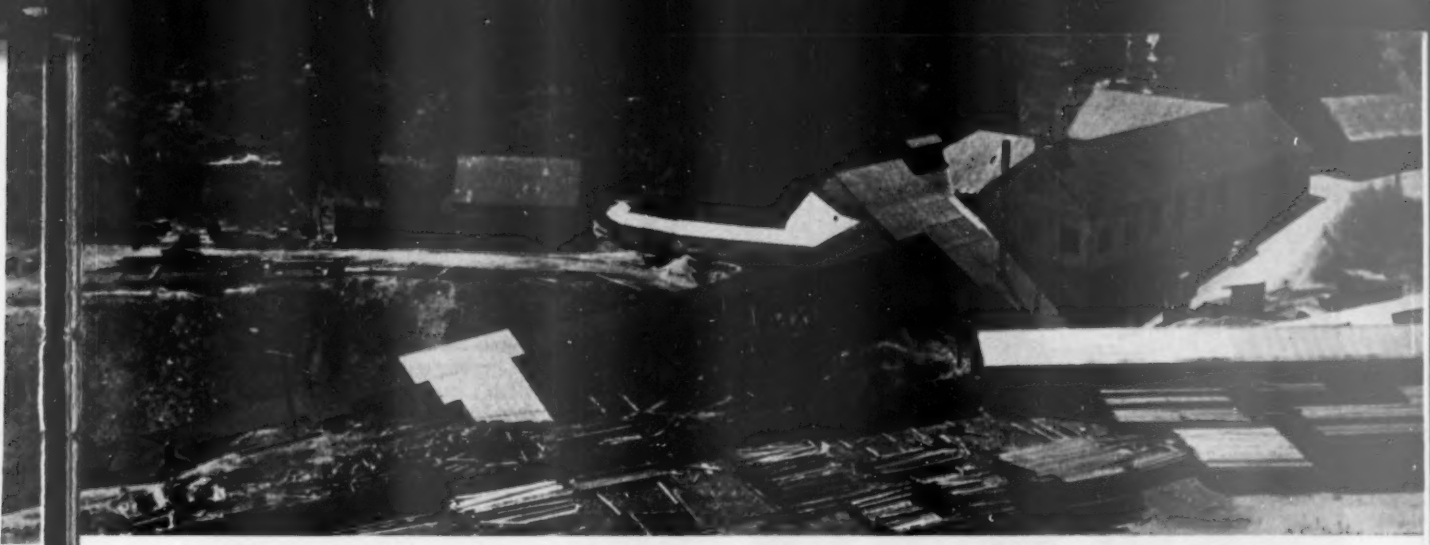




PARK CITY miners lounge on Main Street's caved-in sidewalks, or putter around the house. The notice says there's work off in Montana, in the copper mines. But home is here in Utah. With nine mouths to feed, the question is . . .



WHAT NEXT? To pull up stakes, and move to Butte or some place else, like the others? Or stay here idle? What was that merger story?



CLOSED-DOWN Park Utah and Silver King mines are too high-cost to run at present lead and zinc prices. Is Park City . . .

On the Road to a Ghost Town?

(Story continues on page 82)



CREDIT CARDS behind him keep Mayor Reseigh's grocery going. Miners without money send children to do the buying.



FEW LIGHTS burn in Fraser Buck's department store, and he needs no clerks to wait on customers.



EVEN THE TAVERN is almost empty. Navy veteran Bill Henley stops in to hear if there's news of jobs.



NO BUSINESS for insurance man and notary Jerome Paxton. Nothing to do but watch and wait—and hope.



PLANNING JOINT OPERATIONS, Silver King superintendent Theo Smith, Park Utah's Ezra Hewitt, John Mitchell, say prices must rise to open mines, but . . .

Merger Brings Jobs Nearer

(Story starts on page 80)

There's a small gleam of hope on the faces you pass these days in Park City, Utah. And out-of-work lead and zinc miners, as they stop in front of a deserted house or boarded-up store, are asking each other: "Do you think maybe there'll be work again? Will people come back to town?"

The Park City mining district, on the slopes of the Wasatch range east of Salt Lake City, has been in the doldrums for nearly a year. Since lead and zinc prices tumbled in 1952, only one of the district's mines has stayed in operation—and that without a profit.

Old-timers say that's the low point in the district's 80 years of continuous operation. And Park City has been living in constant fear of becoming a modern ghost town.

• **Merger**—But now two of the districts closed-down mines—two of the biggest lead-zinc-silver mines in Utah—have merged into a unit that can be more economically operated. The Silver King Coalition Mines Co. and the Park Utah Consolidated Mines Co. joined last month to form the United Park City Mines Co. American Smelting & Refining Co. had an interest in Silver King, and Anaconda Copper Mining Co. in Park Utah.

Of course, as mine officials point out, it would take a good-size rise in metal prices to make possible profitable operation by the high-cost mines of the district. And mine reopening may be a long way off.

Lead and zinc prices would have to go to 15½¢ a lb. to put mines into operation, the officials say. Lead now is at 13½¢ in New York and zinc at 11¢. In early 1952 lead was 19¢ and zinc 19½¢.

Still the people of Park City see a glimmer of hope, though it's a faint one, no brighter than a miner's lamp at the end of a black tunnel. What they are hoping is that the merger will cut costs of the two adjoining mines enough to permit operations to begin again sooner than otherwise.

• **Island of Depression**—Park City, a raw and rough mining community, has had many ups and downs in the 80 years since the district started producing lead, zinc, gold, and silver. But like many other small western mining towns, it's at one of its worst "downs" in history now—a tiny island of depression in a prosperous economy.

The great bulk of Utah's lead and zinc production comes from a mixed ore that contains both the base metals plus some gold and silver. Historically, the gold and silver components of this ore have carried a high share of operating costs. As nonferrous producers, the mines are marginal operations.

Since 1934 mint prices on the precious metals have remained the same, while mining costs have continued to increase. And when prices of the base metals broke last year, things went sour. There are only five main producers in Utah's nonferrous mining industry today—out of 139 mines active in 1939.

• **Shutdown**—At Park City, Silver King discontinued operations on Aug. 15, 1952. Park Utah shut down earlier, on June 26, 1952, as a result of a strike for higher wages, and it never reopened. Both companies had suffered losses in three of the last five years of operation.

With smaller mines also closed down, nearly 800 miners in the area were without work. And since then hardly a day has passed without some Park City family loading its things on a truck to go off in search of work elsewhere. The population has decreased by a third in the past year, is now down to about 1,500.

Parts of the once-thriving town already look like a ghost village. Houses stand empty with their windows smashed. Half the stores in town are boarded up. Many have been closed for some time, but at least eight have gone out of business since last December.

• **Drifting Off**—Some miners still find work at New Park Mining Co., 7 mi. away. Though operating without a profit, this mine keeps going because it has a little more silver in its ore than those nearer Park City.

Other men get jobs in Salt Lake City construction work or timber work in the Wasatch Mountains, but these jobs are hard to get for miners with only underground experience. Some families have moved to Salt Lake City. Many have trekked to Idaho and Montana, where copper and other ores are mined. State and federal unemployment and welfare payments keep others alive.

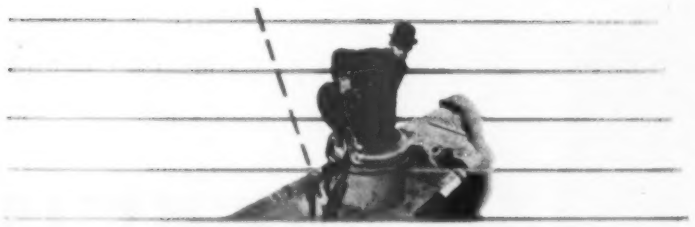
• **Hopeful**—But the news of the Park Utah-Silver King merger has reached some of those who left. At least one family turned up again in Park City some days ago, brought back by the hopes that the news aroused.

Depression-struck Park City families were encouraged by the consolidation because:

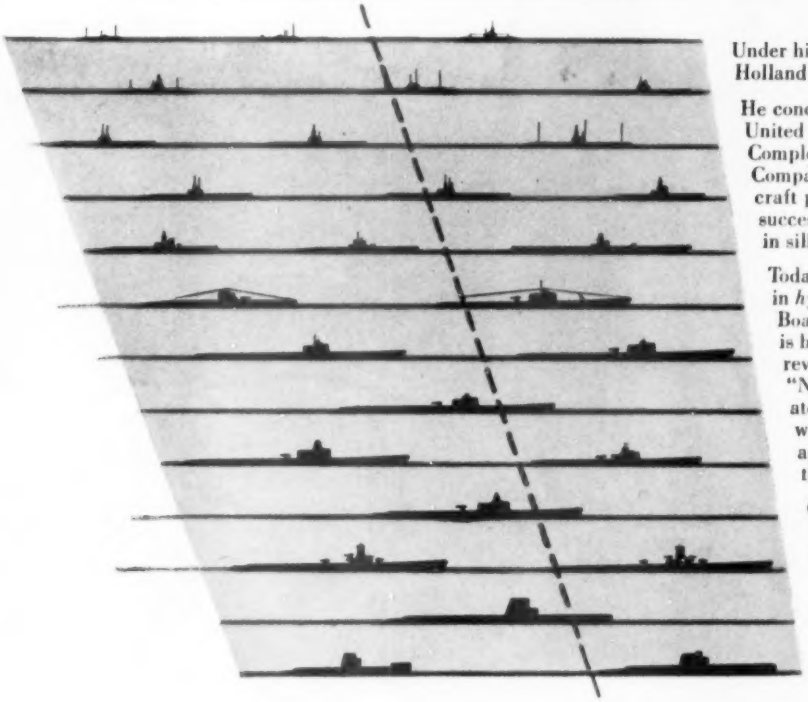
• Joint operation of the adjoining properties will mean more efficiency and lower administrative and overhead costs.

• Exploration and development of two large unexplored portions of the properties will be greatly aided.

• The merger will make possible additional development capital at a



progress

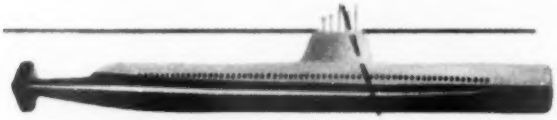


Under his derby hat John P. Holland had progressive ideas.

He conceived the "Holland", first United States Navy submarine. Completed by Electric Boat Company in 1900, this historic craft pioneered the many successive submarines shown here in silhouette.

Today, after fifty years of progress in *hydrodynamics*, the Electric Boat Division of General Dynamics is building for the U.S. Navy the revolutionary new submarine "Nautilus". As the world's first atomic-powered vessel, "Nautilus" will point the way for future applications of *nucleodynamics* to transportation and industry.

Other Divisions of General Dynamics are making notable progress in *electrodynamics* and *aerodynamics*—in the manufacture of electric motors for industrial and marine use, and of commercial and military aircraft of advanced design.

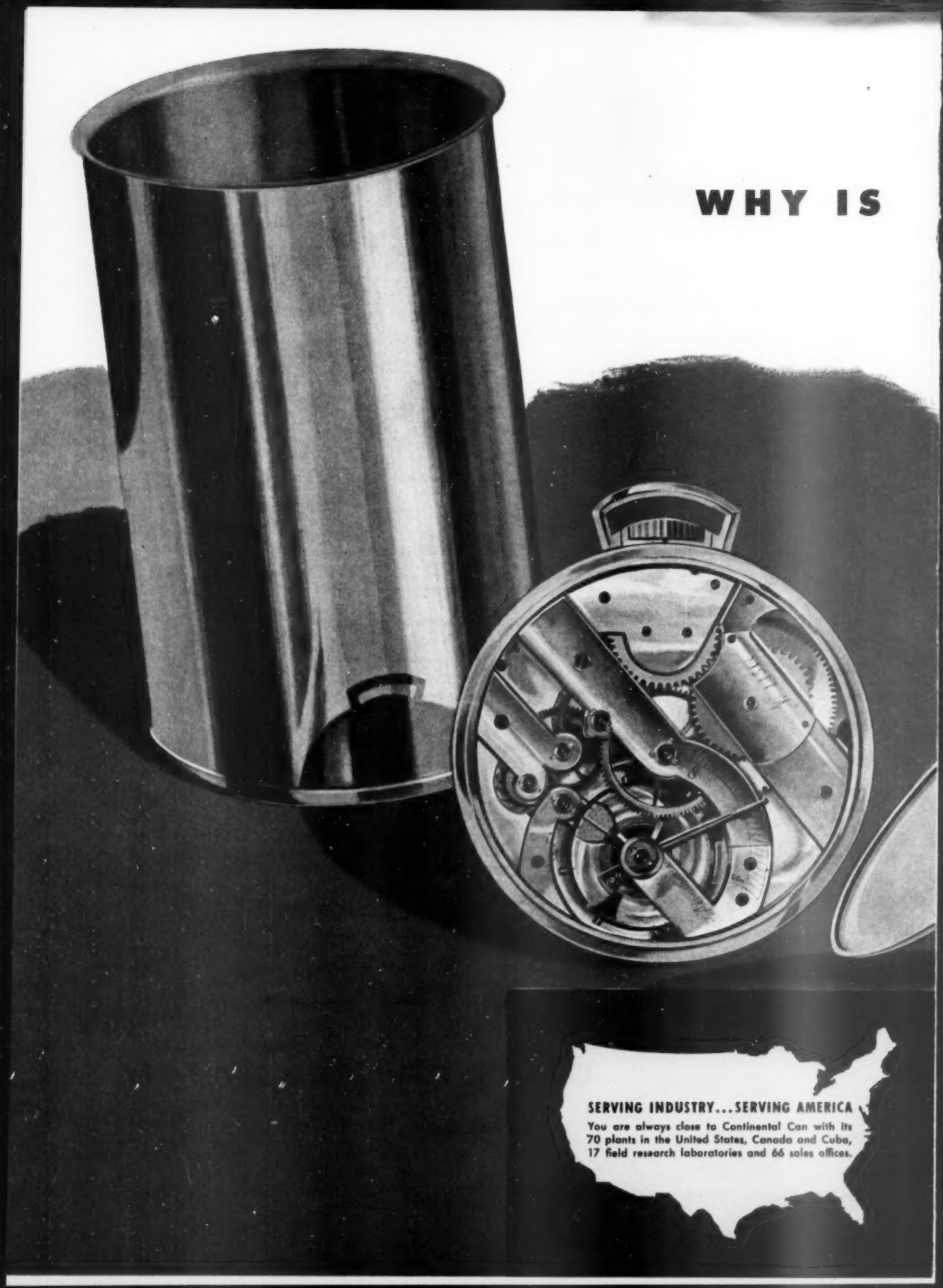


GENERAL DYNAMICS

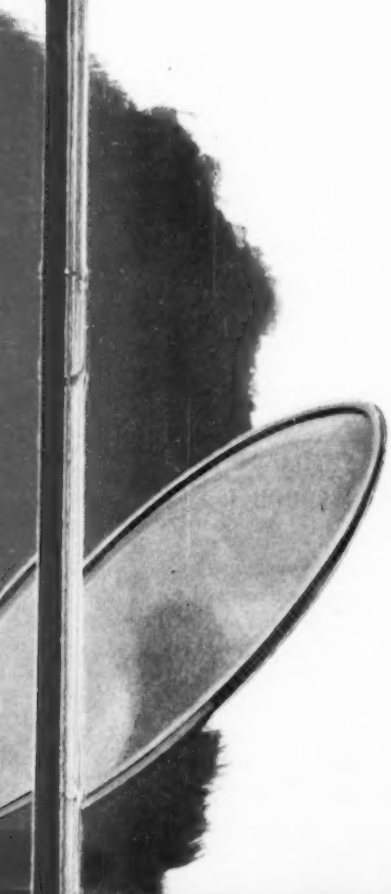
DIVISIONS

GD GENERAL DYNAMICS | EB ELECTRIC BOAT | C-L CANADAIR LIMITED | ED ELECTRO DYNAMIC

GENERAL DYNAMICS CORPORATION • 445 PARK AVENUE, NEW YORK • PLANTS: GROTON, CONN., BAYONNE, N. J., MONTREAL, CANADA


WHY IS
SERVING INDUSTRY...SERVING AMERICA
You are always close to Continental Can with its 70 plants in the United States, Canada and Cuba, 17 field research laboratories and 66 sales offices.

A TIN CAN LIKE A WATCH?



A tin can and a watch are both precision-made. Just as a single off-size gear in a watch would upset the whole "works," the slightest variation in the size of a can component might jam up a canning line.

At a food-packing plant, for example, cans made by Continental are filled and sealed with automatic machinery at the rate of 500 or more a minute. Unless every can top fits every can body exactly, the whole operation will break down. There's simply no time to stop and adjust or trim individual cans.

To maintain this high degree of precision, Continental engineers have developed all kinds of automatic testing devices. Cans are tested for size, strength and air-tightness by equipment that operates faster than the eye can see.

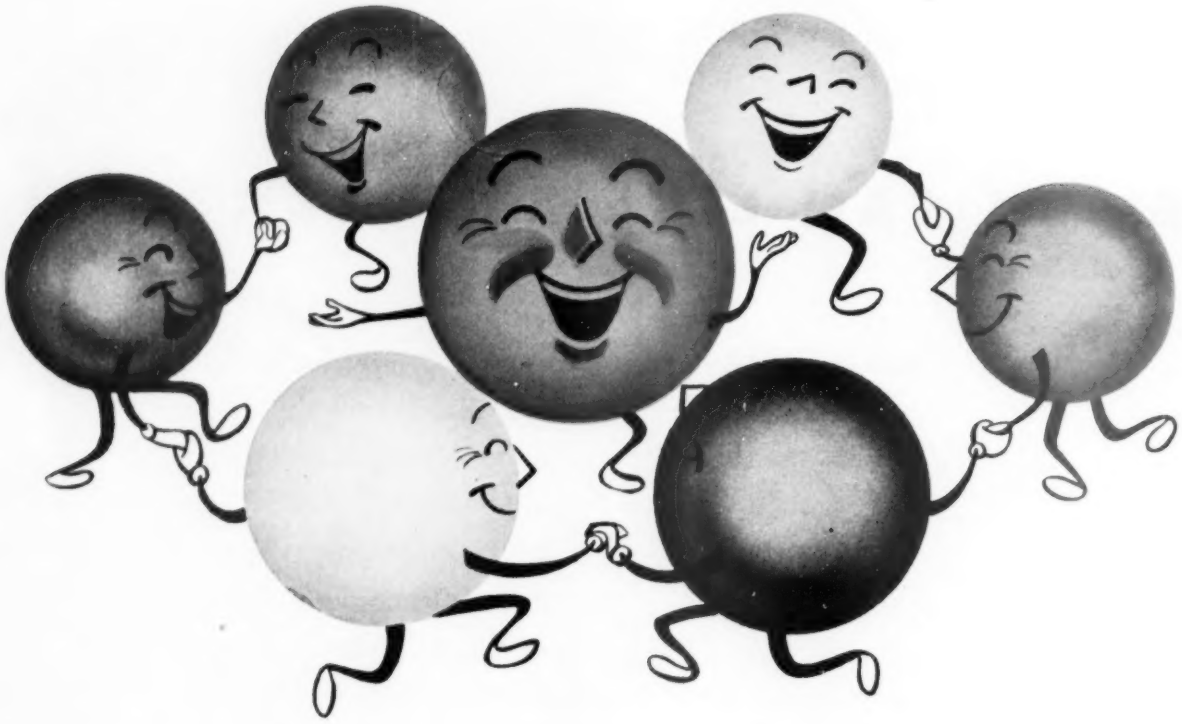
Continental's emphasis on precision is one of the factors that have built its reputation as a reliable source of supply for cans and containers.

CONTINENTAL CAN COMPANY

CONTINENTAL CAN BUILDING

100 E. 42nd ST., NEW YORK 17, N. Y.





Cozy Chemical!

When it comes to getting along in the chemical world, Chlorine is one of the leading "mixers," with the ability to step in among so many tight little molecular groupings. In some cases, Chlorine just nudges in among the atoms and makes room for itself. In others, it gets a little rougher, chasing away some atoms completely and preparing the way for the introduction of still other chemical pals.

This reactivity of Chlorine is the key to its diversified uses and to its inestimable value in the field of synthetic organic chemistry. Thousands of chemical processes are dependent upon Chlorine and its power to establish favorable conditions within a molecular structure for the manufacture of the end products desired.

Columbia-Southern, one of the nation's leading producers of Chlorine, has widespread facilities for serving industry from its plants in Barberton, Ohio; Natrium, West Virginia; Corpus Christi, Texas; Lake Charles, Louisiana.

CHLORINE IS ESSENTIAL TO A MULTIPLICITY OF PRODUCTS

Many of the refinements of our civilization are dependent upon Chlorine, from its original uses in the bleaching of textiles and paper, and for its germicidal protection of water supplies and other public health applications, down to such modern products as plastics, synthetic rubber, solvents, vitamins, the new wonder drugs, high-test gasolines, non-toxic refrigerants, dyes, herbicides, insecticides and innumerable chemicals and chemical intermediates.

COLUMBIA-SOUTHERN CHEMICAL CORPORATION

SUBSIDIARY OF PITTSBURGH PLATE GLASS COMPANY

420 FORT DUQUESNE BOULEVARD, PITTSBURGH 22, PA.

CHLORINE, ALKALIES AND RELATED PRODUCTS · OFFICES IN PRINCIPAL CITIES

". . . the day will not be too far distant when the boards will come off empty houses and vacant stores . . ."

GHOST TOWN starts on p. 80

later date by the issuance of over 2.1-million unissued shares of the new company's 6-million authorized shares of capital stock.

• **Merger Economies**—Both exploration and the operation of existing shafts and tunnels, officials say, will be much more economical when the entire area is worked as a unit.

For example, Park Utah has a large tunnel valuable for hauling ore and for drainage purposes. It's lower than any other tunnel in the district. And now it can be used to drain Silver King. In turn, Silver King has a shaft that can be deepened to hoist Park Utah ore to the surface for treatment at the Silver King mill.

Together, the two companies have nearly 9,000 acres of lode mining claims in the district, in addition to other land, and their facilities can produce 1,800 tons of ore a day.

The two companies were encouraged to merge by Anaconda Copper and American Smelting & Refining. Anaconda owned 22.8% of Park Utah's outstanding capital stock; AS&R owned about 25% of Silver King. Another factor leading to the merger was the success of a 1950 agreement by Silver King and Park Utah to explore and operate 204 acres on the boundary line between the two properties.

President of the new United Park City Mines Co. is John M. Wallace, president of the Walker Bank & Trust Co. of Salt Lake City. He has long been interested in mining in Utah and has the confidence of both merging companies.

So Park City—or what's left of it—hopes the day will not be too far distant when the boards will come off of some of the empty houses and vacant stores. But that day will not come, industry officials say, until lead and zinc prices climb again. It remains to be seen whether the marginal lead and zinc mines can survive without the war-inflated demand for nonferrous metals.

Industry officials say the solution would be a sliding scale tariff on imported metals—with no import tax on lead or zinc if the domestic price is, say, 15½¢ a lb. or higher. In addition, they want tax relief to encourage mining.

With tariff adjustment, some tax consideration, and a "little luck," says Otto Herres of Salt Lake City, chairman of the National Lead and Zinc Committee, the industry could get back on its feet.



10-Key Touch Control Operation





THE REMINGTON RAND ALL-ELECTRIC ADDING MACHINE prôves the hand is quicker than the eye. This quiet figurework wonder adds, subtracts and multiplies as fast as your fingers touch the 10-key keyboard. Easy-to-learn, easy-to-use touch method operation leaves your eyes free to concentrate on the work to be done.

The "magician" who can show you this All-Electric marvel is your nearest Remington Rand representative. Call him for a demonstration in your office. You may want to try a few fast figuring tricks yourself and he'll be glad to leave the machine with you for a short trial period. If you want to know more about the All-Electric first, mail the coupon today.

Remington Rand INC.

Room 2759, 315 Fourth Avenue, New York 10, N. Y.

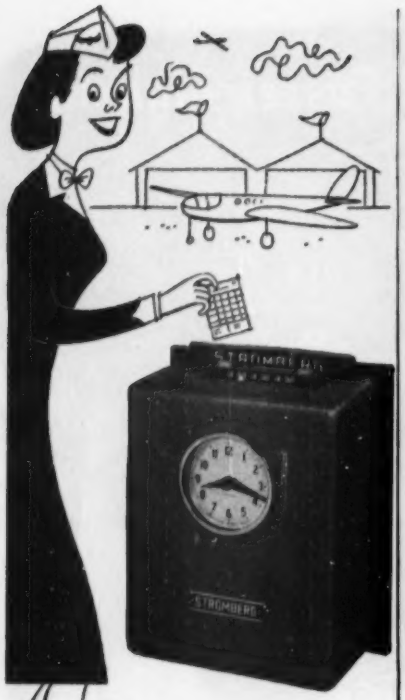
Please send me my free copy of "The Remington Rand All-Electric Adding Machine with Exclusive 10-Key 10-Feature Operation", AD 567.

Name_____ Title_____

Company_____

Address_____

City_____ Zone____ State_____



keep time-

with the best!

positive proof...

STROMBERG

Today's biggest value in an electric time recorder is this Stromberg 14. It is built better, works easier, lasts longer and is low priced. It's the timing answer for every size and type of business.

get your copy of "for every working minute" write to

STROMBERG TIME CORPORATION

GT GENERAL TIME subsidiary of general time corp. 109 LAFAYETTE STREET NEW YORK 13, N. Y.

TIME RECORDERS • TIME STAMPS
JOB RECORDERS • CLOCK SYSTEMS

COMPANIES



SIDNEY D. WILLIAMS stands proudly beside his $12.5-million baby.

Small Business: Steel Style

It takes a pot of money for a newcomer to crack the industry. That's why Green River is just about the only Korean war baby that actually came to life.

When you talk about getting into the steel industry, $1-million begins to look like small change. It takes many millions to grubstake even the tiniest operation in the field. That's why a long silence has succeeded the clamor of newcomers who rushed to Washington immediately after the Korean war broke out, with plans for getting into the steel business.

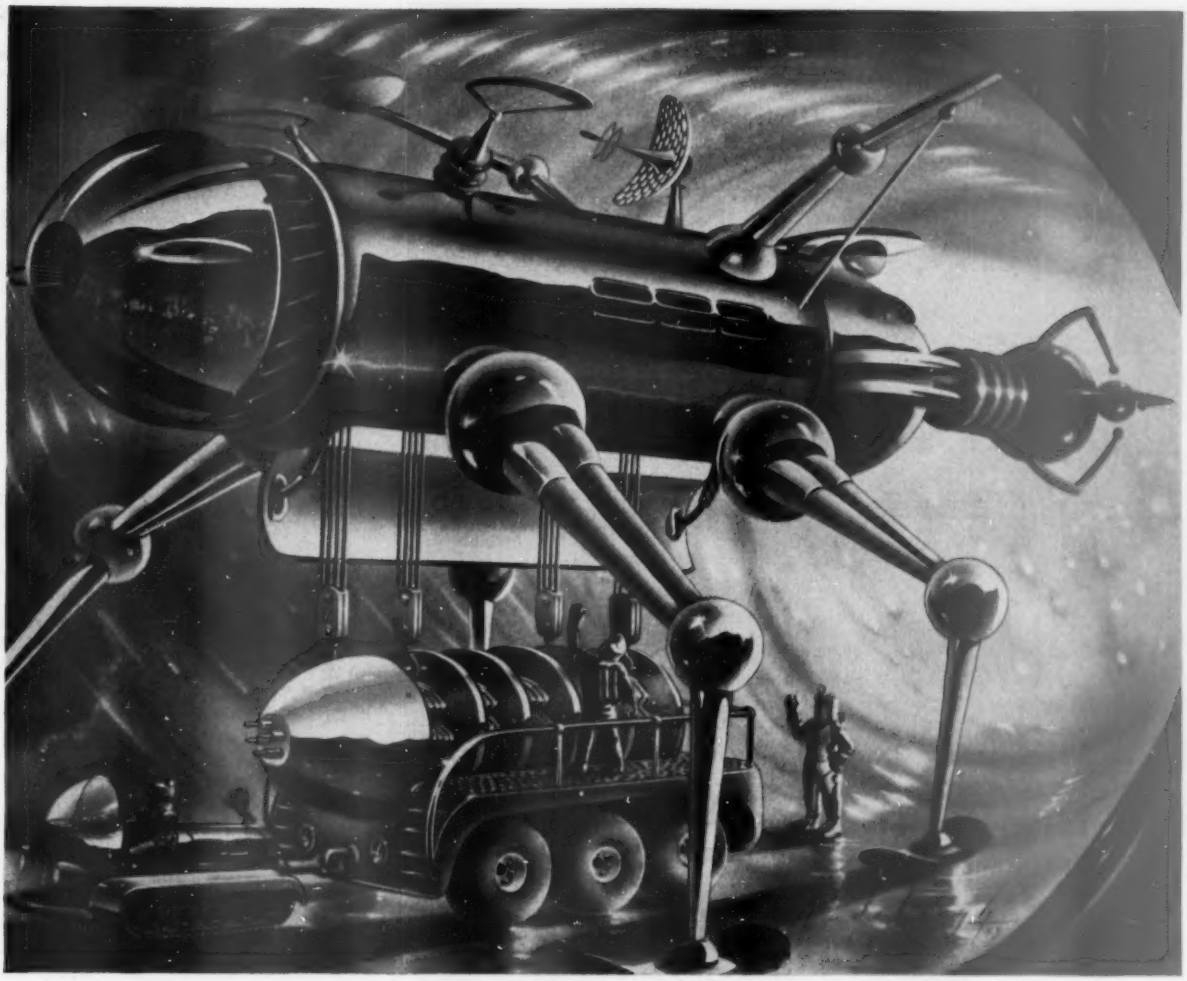
One company made it, though: the Green River Steel Corp., outside Owensboro, Ky. This week Green River is set to start operations with its blooming mill and the first of its two electric furnaces.

Actually, Green River antedates the stepped-up demand for steel that came with Korea. It was in 1948 that veteran steel man Sidney D. Williams, now 61, began the pursuit of his dream of starting up as a wholly new producer of quality carbon steels. But Williams, for all his relentless drive, might never have made it except for the defense emergency.

• **Shell Steel**—Williams' blueprint called for making the steel that goes into artillery shells. With the war, capacity for shell steel was short, which meant that the government turned a kindly eye on Green River's need for money. Later in 1950 the National Production Authority gave Williams a certificate of necessity. That partly opened the gates. In the following February, Green River got a $5-million loan from NPA, and $3,556,126 from the Reconstruction Finance Corp.—all provided the company could raise another $4-million of private capital.

That last item took a lot of doing, but finally Equitable Securities Corp., of Nashville, largest investment banking house in the South, agreed to underwrite the necessary debentures. Williams says he was turned down about 40 times before he hit pay dirt at Equitable.

To that money was added a bit more from the sale of stock, whose original par value of 25¢ has been reduced to 1¢. It's selling now fractionally above $6, incidentally. At the start, Williams and his long-time loyal supporter, Louisville lawyer Robert B. Hensley, were the biggest stockholders. Subsequent sales, and the issue of 100 shares as a bonus with each $1,000 debenture, have reduced their holdings to about 10% apiece. That puts them in second place behind Connohio Corp. of



When mole-like machines "melt" tunnels through mountains...

precision National Oil Seals will protect their performance

Incredible machines may someday *burn* their way under cities and rivers, through mountain ranges—fusing earth and rock into everlasting tunnels for irrigation, railroads or auto expressways. Such machines will be marvels of complexity. Yet, like today's equipment, their performance will depend on oil seals and O-Rings.

Oil seals are steel-and-synthetic-rubber or steel-and-leather parts, precision made to keep lubricants in and dirt and water out of mechanical assemblies. O-Rings are synthetic rubber diameters which seal pressures in moving or non-moving hydraulic and pneumatic assembles. National pioneered oil seals and O-Rings, and is today a leader in this field.

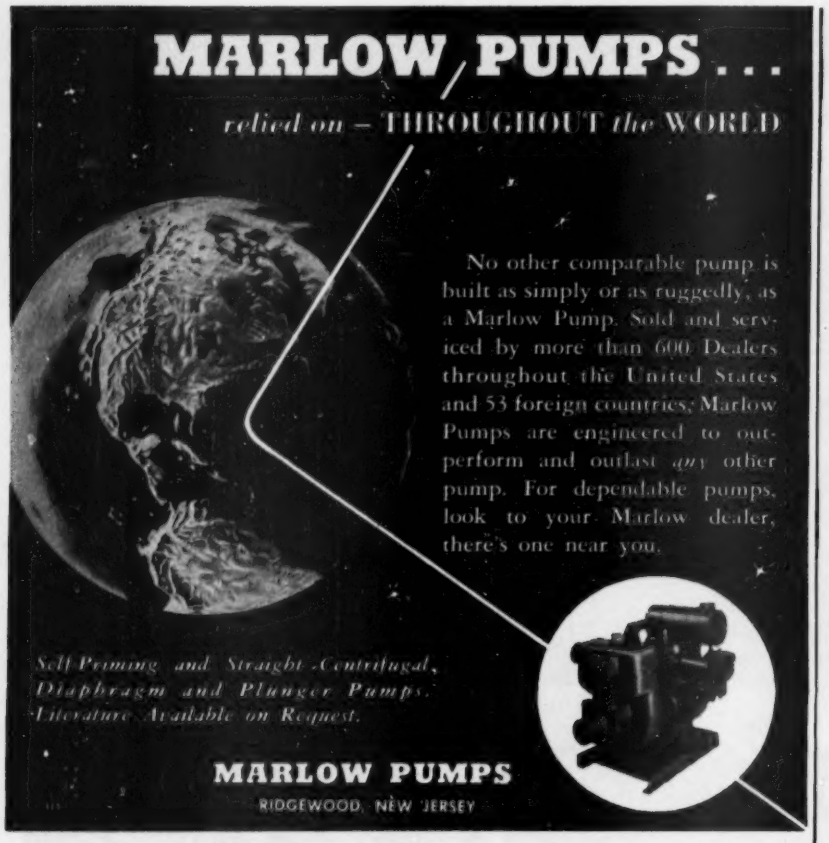
Perhaps precision National Oil Seals and O-Rings can improve your product's performance, lengthen its life, or make it easier to assemble or service. Our long experience is at your disposal.

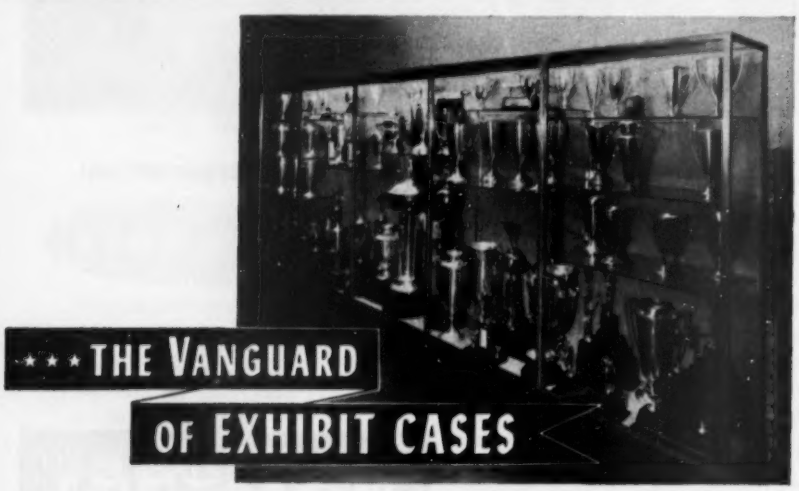


NATIONAL MOTOR BEARING CO., INC.

General Offices: Redwood City, California. Sales Offices: Chicago, Cleveland, Dallas, Detroit, Downey (Los Angeles County), Milwaukee, Newark, Van Wert, Wichita. Plants: Redwood City, Downey and Long Beach, California; Van Wert, Ohio. Products: Oil, Fluid and Grease Seals, O-Rings, Airtron* Ducts, Silicone parts, Shims. *T. M. Reg.

Original equipment on cars, trucks, buses, tractors, agricultural and earth-moving equipment, railway rolling stock, machinery and appliances. 2734





Michaels "Time-Tight" display cases rate high among discriminating buyers. They are tops in design, quality, structural features, appearance and usefulness. In "Time-Tight" cases displays are at their best. Visibility is perfect. Construction details, one of which is Innerlocking frames, exclusive with Michaels, reduce to a minimum the possibility of theft as well as the ingress of dirt, vermin and moisture.

Made in a wide range of sizes and styles "Time-Tight" cases meet virtually all the exhibit requirements of universities, schools, science laboratories, museums, art galleries, libraries, industrial exhibits and others. Write for literature which gives complete information.

THE MICHAELS ART BRONZE CO., INC.
232 SCOTT STREET, COVINGTON, KENTUCKY
Manufacturers since 1870 of many products in Bronze, Aluminum and other metals

". . . scrap supply feeds electric furnace economically . . ."

GREEN RIVER starts on p. 88

Buffalo, a refrigeration company, which now holds 14.7% of the outstanding shares. William C. Fisher, Connohio president, is chairman of the Green River board; Williams is president and Hensley, vice-president.

• **Advance Orders**—Just setting up shop has taken virtually all of the capital. But Williams says loans for working capital are no problem because of the batch of advance orders that he has received. Third-quarter production is already spoken for.

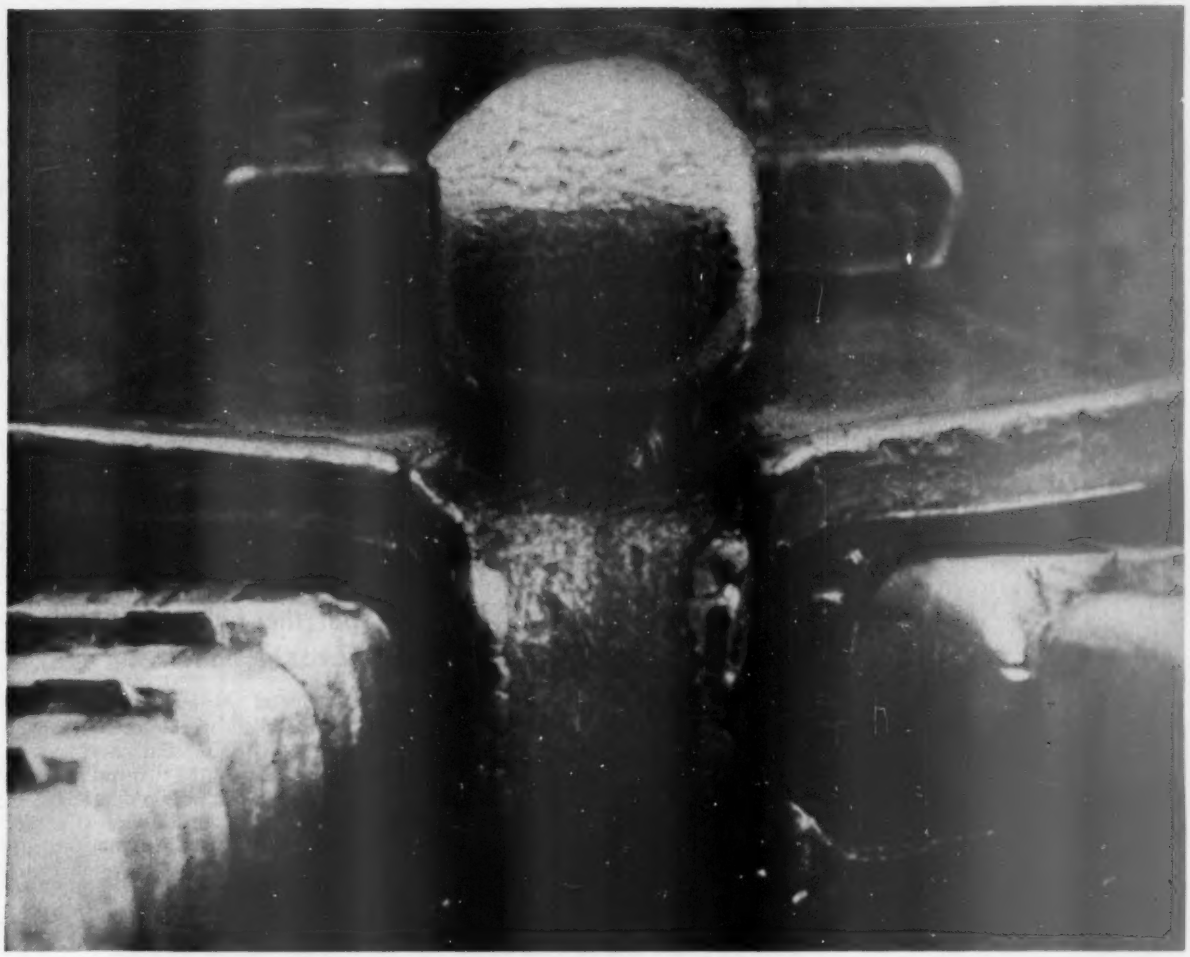
Korea, which brought Green River money, also brought problems. The actual building of the plant started briskly in the spring of 1952, but promptly ran into material shortages and other snags. Things looked black indeed by September. Then the Army came to the rescue by telling suppliers to give Green River what it needed. Even so, the start of actual operations has had to be postponed and rejiggered.

• **Scrap Surplus**—Green River's production strategy, according to Williams, is based on the fact that Owensboro lies in a scrap-surplus area. This makes an electric furnace operation economical. Williams says Green River's ingot capacity will be 240,000 tons a year when the second furnace goes into action, possibly next month. The bar mill is expected to be ready at the same time.

Hensley, in on the deal early, played a big part in getting the plant located in Kentucky. The site offered various advantages: the scrap supply, freight advantages by rail and water, access to a growing market in the southern parts of Ohio, Indiana, and Illinois, plus the St. Louis area, and the whole South. Williams claims that Green River will be the quality-producing mill closest to this area.

By the same token, Williams vows that a cut in defense use of steel will not put a squeeze on the infant company. He claims that the mill's costs will be competitive, and that it is in no sense a marginal producer. His argument is that there just isn't enough capacity of the particular kind of steel that Green River will produce.

• **Growing**—He feels so sure of this that he is already projecting his dreams into an expansive future. The mill is perched in an area that has coal reserves that Williams says amount to 55-billion tons. He hopes to use some of that coal to fuel a future power plant, which will supply the juice for



This could catch you today!

It can be long or short...wide or narrow. Recognize it? We'd like to show you more but we're trying to prove that "close-ups" often overlook important facts.

Here's a fact about Railway Express service that's often overlooked . . . *lower charges for aggregate weights.* "Aggregating" by Railway Express helps you save. It works like this: Suppose you have several packages in a shipment. Each weighs 10 pounds. All are going to the same receiver. Instead of making a separate charge for each package, Railway Express adds up (aggregates) the package weights. Whether you use rail or air express, you save by paying a lower charge for the higher weight. (Ask your Railway Expressman for complete "aggregate-rate" details.)

Still wondering about what could catch you? The answer is easy if you see it in its true light. It's just a plain zipper. See your shipping problems in their true light. Compare your company's present practices with the complete, pickup-through-delivery service of Railway Express.

See how this nationwide service cuts costs . . . saves trouble. Railway Express eliminates *extra* costs like separate charges for pickup . . . insurance . . . receipts . . . for repackaging into smaller units.

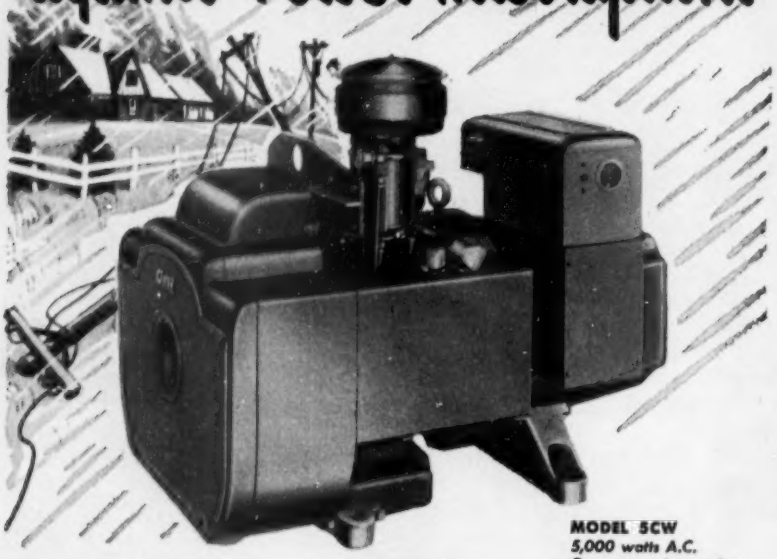
It's a fact! You get more service for your money from swift, safe, sure Railway Express.

use the complete shipping service...

RAILWAY EXPRESS AGENCY

No size or weight limit • Pickup and delivery, within prescribed vehicle limits, in all cities and principal towns • Liberal valuation allowance • Receipt at both ends • Ship collect, prepaid, paid-in-part, or C.O.D. • Ship by Air Express for extra speed

Protect your home Against Power Interruptions



MODEL 5CW
5,000 watts A.C.
Compact, quiet-running
Gasoline-powered

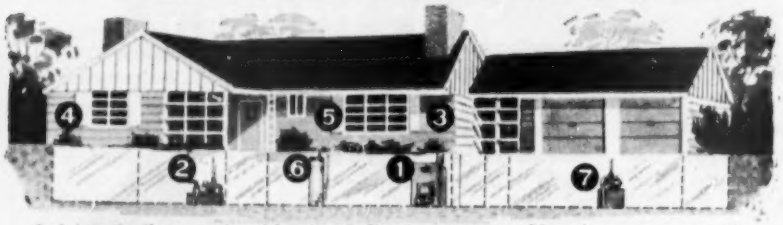
with a low-cost ONAN *Emergency* Electric Plant

When storms **interrupt electric power,** ***even the finest homes are unlivable.*** **If you live in an outlying residential area your problem is particularly acute. Without electricity you have no heat, water, refrigeration or lights. Radio, food freezer, sump pump and other electrical equipment cannot operate.**

You can avoid losses from freezeups, food spoilage and other dangers by installing an Onan Emergency Electric Plant in your garage or basement. Very little space is required. Installation is simple and inexpensive. When power outages occur, the Onan Electric Plant supplies regular 115-volt A.C. electricity for as long as the emergency exists. Automatic controls start the plant when power is interrupted and stop it when power is restored *to protect your home even when you're away!*

Onan Emergency Electric Plants are built in capacities to fit the needs of any home . . . 1,000 to 35,000 watts. Write for folder and guide to help you determine size of plant necessary.

PROVIDES ELECTRIC POWER FOR THESE ESSENTIAL USES . . .



1. Automatic oil, gas, and coal furnaces. 2. Electric water system (If you have your own well). 3. Home freezer and refrigerator. 4. Lights, radio, etc. 5. Electric range (Limited use) 6. Water heater. 7. Sump pump.

FIND OUT HOW LITTLE IT COSTS. WRITE TODAY!

Onan ELECTRIC PLANTS

D. W. ONAN & SONS INC.

8327 University Avenue S. E. • Minneapolis 14, Minnesota

future pig iron smelting, from Tennessee ore. The pig iron, he thinks, is three years away; within five years he sees Green River tripling its present size.

As a first step in the expansion, he plans to eke out his ingot production with another 10,000 tons purchased in the St. Louis and Chicago areas and shipped to Owensboro for finishing. By that time he expects to have at least 400 employees, though the mill is highly mechanized.

Recruiting produced one happy surprise. Green River found plenty of experienced steel workers who had migrated from Kentucky and Tennessee in their youth but were delighted to come home to a job.

Colonial Merger

A CAB examiner blesses union with Eastern Air Lines, but the full board may still favor National.

Colonial Airlines got a tentative blessing last week for its proposed merger with Eastern Air Lines. A Civil Aeronautics Board examiner recommended the wedding (BW—Jun. 20'53,p62). But airline insiders predict a chorus when CAB, reviewing the case, asks for reasons why the ceremony shouldn't proceed.

• **Ruling**—Only last spring CAB legal counsel said Colonial should be married to National Airlines, not to Eastern. He said Eastern had wrongfully gained control of Colonial stock. The CAB examiner agreed that Eastern shouldn't have bought up a controlling interest in Colonial without first asking CAB for permission. But he ruled that the situation should be accepted without penalty to Eastern.

In as much as Eastern-controlled stockholders of Colonial had now voted in favor of merger with Eastern rather than National (BW—Oct.4'52,p36), that choice should be O.K.'d, he said.

• **What Next?**—If the full Civil Aeronautics Board should tack Colonial onto Eastern's already extensive system, it would be a reversal of policy. CAB has generally opposed aggrandizement of the big operators.

Colonial is a small trunk line chiefly serving Montreal and Bermuda from New York and Washington (BW—Aug.2'52,p34). It would tie in well with either Eastern or National.

In the original merger talks, Colonial was well on the way to union with National. Then its president, Sigmund Janas, who was later ousted, led a countermove last year for merger with Eastern.



When home owners want practical beauty for the doorway . . .

Eagle-Picher's new Combination Storm-Screen Door is the answer.

Home owners, as well as builders and property managers, regard these handsome doors as a sound investment. Thanks to precise architectural design, you get a combination of beauty, convenience and economy. This new door was especially designed to match Eagle-Picher's "Triple-Slide" Aluminum Storm Windows and Screens — long recognized by the building industry as the finest combination enclosures on the market.

You may be interested in Eagle-Picher's Combination Storm-Screen Doors or "Triple-Slide" Aluminum Windows for commercial buildings as well as homes. You will agree that these products well deserve their reputation for excellence. We'll be glad to tell you more about these or the other Eagle-Picher products listed below.

Since 1843

EAGLE EP PICHER

EAGLE-PICHER

The Eagle-Picher Company • General Offices: Cincinnati (1), Ohio

A good name on any product. Widely known as an important factor in mining, smelting and processing of lead and zinc, Eagle-Picher provides many products for essential uses in the paint, glass, ceramic, chemical and storage battery industries; in the manufacture of automotive and farm equipment and in many other fields: Slab zinc • Lead and zinc pigments and oxides • Molded and extruded rubber products • Diatomaceous earth products • Cadmium • The semi-rare metals: Gallium, Germanium. Mineral wool home and industrial insulations • Aluminum storm windows and screens.

"RECOMMENDED BY A FRIEND"
LORD BALTIMORE HOTEL
It's difficult for even the largest hotel in Baltimore to live up to its fine reputation . . . but we keep trying.

ARE YOU STUCK?
One of our special fibre-chemical materials may solve your problem.
Write Dept. B.
ROGERS CORPORATION
MANCHESTER, CONNECTICUT


DIALS
DRUMS
SIGNS
PLATES
PANELS
LOW COST ENGRAVING IN YOUR OWN PLANT
The Green Engraver—proven by the experience of tool and die, electronic, machine, radio electrical and instrument manufacturers.
Folder upon request
GREEN INSTRUMENT COMPANY
364 Putnam Ave., Cambridge, Mass.

LOCKHEED VENTURA
PV-1
Finest Corporation Airplane Available. Fully converted; Deluxe interior; Very latest equipment; including A-12 Auto-Pilot with Automatic approach; ten passenger capacity; cruising speed 260 MPH; 2,000-mile range. In use by Midwest Manufacturer. Available immediately. No Brokers. Address inquiries to:
FS-7746, Business Week
520 N. Michigan Ave., Chicago 11, Ill.

from
OFFICE MANAGER
to
GENERAL MANAGER
yes, that is the calibre of the personnel available to your organization through BUSINESS WEEK'S classified advertising section. See page 174 of this issue.
clues

Airfleets: Profits Far Afield

Company set up by Floyd Odlum to lease Convair planes to airlines has done a lot of things—but not plane-leasing. A lease deal's in the works now.

Airfleets, Inc., of Albuquerque, N. M., is a Floyd B. Odlum creation that has lived a varied five years.

In that period it has made rain in Spain, movies in Hollywood, and self-locking nuts in Glendale, Calif., for the aircraft industry. It has drilled holes—dry so far—in the oil and gas fields of New Mexico. And someday, in a cooler economic climate, it may even do what it was set up to do—lease planes to airlines that can't afford to buy them outright.

• **Genesis and Exodus**—Airfleets carries an impressive pedigree: by Odlum's Atlas Corp., out of Consolidated Vultee Aircraft Corp. when it was controlled by Odlum (BW—May2'53, p194). As a subsidiary of Convair, set up to move airliners that were piling up in inventory, Airfleets accomplished little. Before it could get any leasing deals out of the talk stage, airline business revived and the lines began buying again.

Odlum saw to it, however, that Airfleets served a purpose when it was cut loose for an independent career in February, 1950. Convair launched Airfleets with a patrimony of more than $8¼-million in real estate, planes, and other assets. That gave value to Airfleets' stock, which Convair accepted in partial payment on the $8¼-million. Then Convair distributed the Airfleets stock as a dividend to its own shareholders, to keep them happy without depleting Convair's working capital.

It took Airfleets the better part of two years to turn its heritage into cash. Then the company found other ways to make a dollar.

• **Money-Makers**—The variety of these projects makes it hard to put a tag on Airfleets. Odlum says it's not an investment company, or a holding company, or an airplane-leasing company—it merely "searches out good things of any kind that will make money for its stockholders."

• Rainmaking in Spain. Among the assets the company received from Convair in 1950 were 85 brand-new Stinson planes. Of these, 42 were sold to the Spanish government at more than $4,000 apiece; the 7,480,000 pesetas paid by Spain aren't convertible into dollars. Airfleets is spending them to finance rainmaking efforts by Dr. Irving P. Krick of Denver, which presumably will produce still more pesetas.

• Movie producing. The company set up Independent Artists Pictures, Inc., to produce "Never Wave at a Wac," starring Rosalind Russell, Paul Douglas, and Marie Wilson. Miss Russell and her husband, Fred Brisson, the producer, worked without pay on a profit-sharing deal. The film is doing well at the box office.

• Manufacturing. For $1-million cash, Airfleets bought the Nutt-Shel Co. in Glendale, which netted around $200,000 after taxes last year.

• Oil drilling. The company holds leases on 9,200 acres in New Mexico, including a big chunk on the fringes of the San Juan Basin, a boom area. About $107,000 is invested in these leases, and nearly $78,000 has been sunk in drilling operations, but the returns could be great.

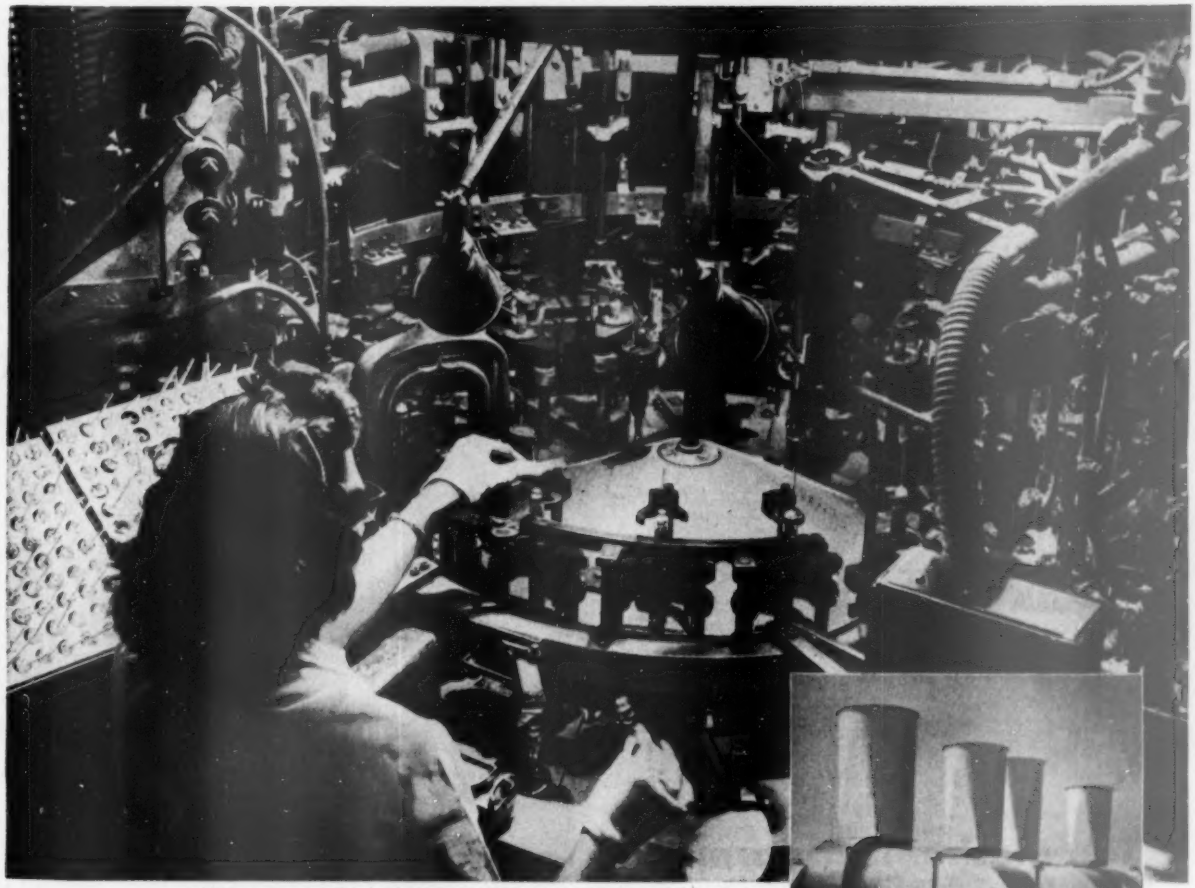
• **Financial Yo-Yo**—You'll look far before you'll find a company whose financial statements show the ups and downs that Airfleets' do.. For example, gross revenues added up to $128,852 in 1951, to $1,973,332 in 1952. Yet profits on sale of the remaining assets received from Convair produced a $254,142 net income in 1951; the 1952 net came to $544,446.

Airfleets paid its first dividend last year, $1 a share, and still has a $306,558 earned surplus to tuck away in the bank. Its stock has climbed on the American Stock Exchange from a range of 5½ to 7⅞ in 1951 to about 13 today, and it has been as high as 15 in the past year.

Both through market purchases and through stock dividends via Convair and Atlas, Odlum and his family have built up their holdings to about 10% of the common shares. Odlum declares he will continue his interest at least through Airfleets' growing stage.

• **Grab Bag**—Not many companies start out life with such a miscellany of assets as Airfleets got from Convair in 1950: the 85 Stinson planes and spare parts left over when Convair sold its Stinson Division to Piper Aircraft Corp. in 1948, the 100,000 shares of Piper common that Convair got as the sale price, the Stinson plant at Wayne, Mich., property at Vultee Field in Downey, Calif., $112,000 in notes from Piper, 15 Convair liners that Convair hadn't been able to sell, and $75,000 cash for a nest egg.

Before the end of the fiscal year eight months later, Airfleets had sold: the 100,000 shares of Piper stock, the plant in Michigan, 13 of the Convairs, and all 85 Stinsons (43 to Piper and



Putting Air to Work for RCA: Special machines for mass production each create 112,750 BTU's, cause special problems.

Ten Westinghouse fans exhaust the intense heat caused by flame jets and induction heating. This highly efficient Silentvane® fan does the job well, requires little maintenance.

Installed by Kirk & Blum Manufacturing Co., Cincinnati. Consulting Engineer: Paul P. Kopf, Philadelphia.

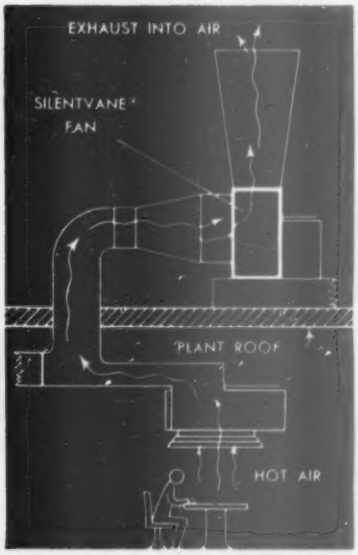
2,900,000 BTU EXHAUSTED

—OPERATORS STAY AT PEAK EFFICIENCY

Turning out miniature electron tubes is a hot business at RCA. Using a gas flame and induction heating, the process develops 2,931,200 BTU every hour. Exhausting this heat permits operators to work at peak efficiency.

Dependable Westinghouse fans handle the heat removal. They're rugged, can easily take the intense heat. And they do it quietly, efficiently.

If *you* have a heat exhausting requirement, or need ventilation for any purpose, let us help you. Westinghouse makes the most complete line of air handling, air conditioning and electronic air cleaning products available. Call your Westinghouse-Sturtevant office, or write: Westinghouse Electric Corporation, Sturtevant Division, Hyde Park, Boston 36, Massachusetts.



WESTINGHOUSE AIR HANDLING

YOU CAN BE SURE... IF IT'S **Westinghouse**

J-80297



The mechanized farmer makes hay while the sun shines

Farming is a highly mechanized industry . . . today's farmer a practical "dollars and cents" businessman. Hay for feeding animals or as a cash crop is an important part of the farmer's economy.

By developing and manufacturing labor-saving machinery, New Holland Machine Co., New Holland, Pa., helps America's farmers earn more money by getting forage crops harvested before rain can damage their value. "*First in Grassland Farming*," New Holland helps to keep down farm operating costs.

Like many of its customers, New Holland Machine Company has depended on U. S. F. & G. for many years to provide varied bonding and insurance coverages.

Whether you produce machines or use them; own your home or business; no matter where you are or what you do, there are U. S. F. & G. coverages to meet your needs.



Over ten thousand agents . . . there's one in your community. Consult him as you would your doctor or lawyer.

U.S.F.&G.

CASUALTY-FIRE INSURANCE

FIDELITY-SURETY BONDS

United States Fidelity & Guaranty Company, *Baltimore 3, Md.*
Fidelity Insurance Company of Canada, *Toronto*

42 to the Spanish government). Proceeds totaled $7.2-million.

In the next fiscal year, Airfleets cleaned up the remaining assets for another $1.6-million. It sold the last two Convairs for $950,000, and the Vultee Field property to North American Aviation, Inc., for $650,000.

• **New Earning Power**—Of the subsequent investments, the surest pay-off seems to be the Nutt-Shel Co. Sales for the fiscal year ended last October ran around $2.4-million, and the company is expanding its market outside the aviation industry. Nutt-Shel's founder, Lester E. Houston, remains under contract as president.

The Rosalind Russell movie, made at a cost of $650,000, promises to net $200,000 or so. The agreement calls for one more picture, but, with Miss Russell a fixture in a Broadway hit, "Wonderful Town," the second film may never be made. Airfleets is deciding soon whether or not to disband the film company.

Spanop, as the Spanish rainmaking operation is called, is doing well in a pilot venture. Airfleets has a contract with Union Electrica Madrilena, a power company, to boost rainfall on the Tajo River, west of Madrid. Dr. Krick's Water Resources Development Corp. does the actual work.

"We are proving our case," says Odlum. In a dry season, rainfall in the experiment area has been 100% to 110% of normal; in other areas, it has been 50% to 60% of normal, according to Odlum.

"To make money," Odlum adds, "the operation will have to be expanded. But what is beneficial to Spain should be made profitable, and the way will be found." Meanwhile, Airfleets is turning a lot of pesetas back into the Spanish economy.

• **Original Goal**—Airfleets' excursions into other fields of money-making haven't taken its eye off the first purpose of the company. The company always has one or more planes on lease, though that's far from the scale originally contemplated. In recent months it bought five Convair 340s and has already sold four of them.

Odlum says the company has been talking with a medium-size airline about a deal to modernize the line's fleet. Here's how such a deal might work out:

An airline may own a fleet of Convair 240s, or even older planes, that it wants to replace with the newer and larger 340s. Convair will want a substantial down payment when the order is placed. The airline can't dip into its working capital to that extent, nor can it turn over its 240s in trade without going out of business until the new planes are delivered, months later.

In such a case, Airfleets would buy

the older planes and lease them back to the airline. The sale price of the old planes can then be used as the down payment on the new ones. As the airline gets deliveries of the new models, it cancels the leases on the 240s. Then Airfleets can lease or sell the 240s to someone else.

COMPANIES BRIEFS



Winner of General Motors' better highways contest was Robert Moses (left), New York City park commissioner and planning coordinator. Harlow H. Curtice, GM president, hands him a $25,000 check for his 9,000-word essay on how to finance an annual $5-billion highway program and to reduce city traffic congestion.

•

Temco Aircraft Corp. of Dallas, Tex., lost its first complete-plane contract before it got started. The Navy canceled an order for 160 McDonnell F3H Demon carrier-based fighter planes scheduled for delivery in mid-1954. The Navy said requirements had been cut. McDonnell, a St. Louis company, will go on making Demons. Temco will keep its 6,000 workers busy on components of other military planes.

•

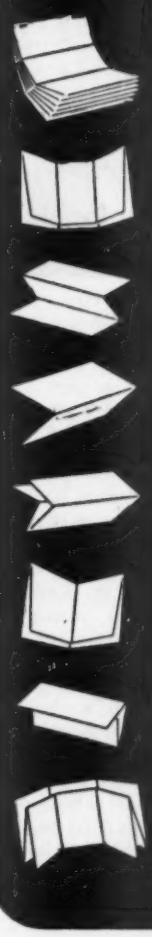
Merger: Cargill, Inc., of Minneapolis bought the stock of Kerr Gifford & Co., oldest independent grain company on the Pacific Coast, at a price reported in excess of $4-million.

•

The first dividend was declared by Life-Time Battery Corp. of America, New Braunfels, Tex. As of June 30, holders of 7,500 shares will receive 25¢ a share. Life-Time went into business in mid-1951 with the Span-O-Life battery, "guaranteed for the life of your car." By last January it had 1,600 dealers in 10 southern states, compared with 190 dealers a year earlier; now it has dealers in 33 states.

Automatic Folding
for even the
Smallest Office





New Folding Machine Saves Time on Jobs Like These

- Monthly statements
- Correspondence
- Bulletins
- Price lists
- Order blanks
- Invoices
- Instruction sheets
- Form letters
- Circulars
- Envelope Inserts
- Special Mailings

Folds up to 6 Stapled Sheets

This new, low-cost, small folding machine with automatic feed makes all standard folds and handles up to six stapled sheets. Exclusive Quick-Set fold chart attached to machine. Eliminates guesswork. Instruction time 5 minutes or less.

See it Demonstrated without Obligation

Here's a sure way to know if this efficient folding machine can save you money. Simply fill in and mail the coupon below. We will arrange for a demonstration in your own office. There is no obligation on your part. Mail the coupon now. Satisfy yourself that you are not overlooking a way to save money.

A·B·DICK
THE FIRST NAME IN DUPLICATING

A. B. DICK COMPANY BW-6
5700 West Touhy Avenue, Chicago 31, Illinois
☐ I'd like full information about your folding machine
☐ Please arrange a folding machine demonstration

Name_____ Position_____
Organization_____
Address_____
City_____ State_____



ARTHUR E. SUMMERFIELD
Postmaster General
A top Chevrolet dealer



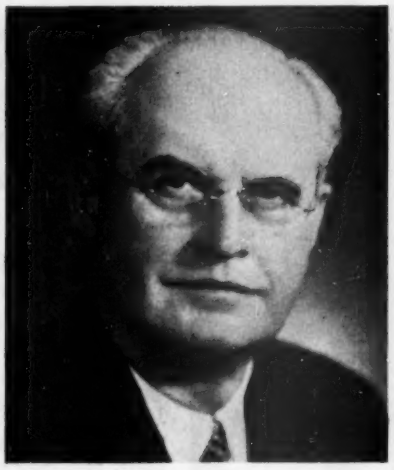
CHARLES R. HOOK, JR.
Deputy Postmaster General
v-p, Chesapeake & Ohio RR



NORMAN R. ABRAMS
Asst. PMG for Operations
v-p, Congoleum-Nairn, Inc.



JOHN C. ALLEN
Asst. PMG for Transportation
Sears, Roebuck & Co.



ALBERT J. ROBERTSON
Asst. PMG for Finance
Des Moines bank executive



ORMONDE A. KIEB
Asst. PMG for Facilities
N. J. real estate broker

A Business Team in the Post Office

The new Postmaster General—Arthur E. Summerfield—thinks he can do something about the inadequate mail service that has been infuriating businessmen for the past couple of years.

Since he took over on Jan. 20, Summerfield has made what looks like a good start toward making the postal service something better than a bad joke to its users. He has also taken some steps toward trimming the Post Office Dept.'s practically permanent deficit.

Summerfield's first step was to round up from business a team of top assistants (pictures). Working with these men, the new boss has launched a double attack:

• To get at the roots of inefficiency, he has started a sweeping modernization of operations and procedures.

• To check the deficit, he has decided to ask Congress for an across-the-board increase in postal rates.

For his detailed approach, Summerfield started at the top, at Washington headquarters. "In the management area," he says, "we found quite a mess."

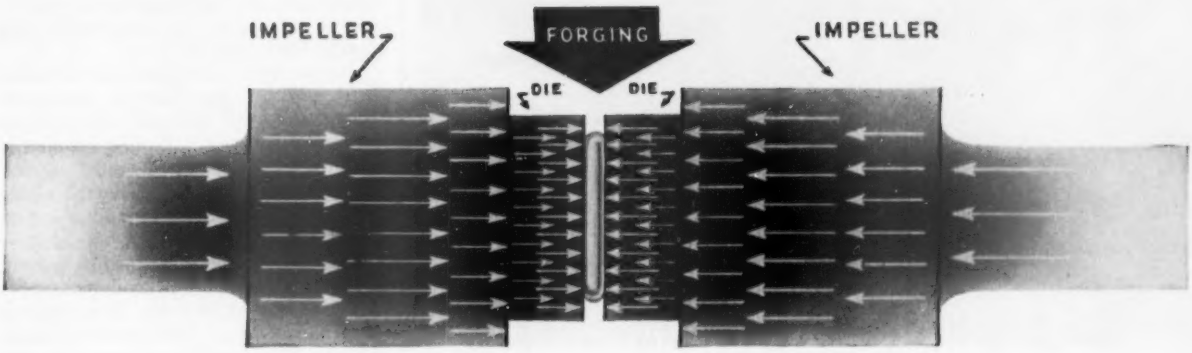
• **Accounting**—For one thing, it turned out that the department had no semblance of costs standards, no notion of what a given operation would cost at a given moment. Personnel records were scattered all over the place; there was no centralized control. The whole department had only two industrial engineers, although modern, mechanized handling equipment is a key to efficiency.

Worse still, the chain of command was like a one-way highway. Department heads found their desks smothered daily in reports, recommendations, and requests for authority from local postmasters—matters as trifling as a few dollars for a piece of equipment.

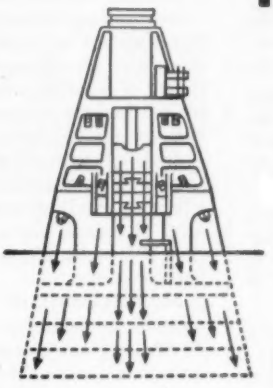
Summerfield's aides are hitting the problems one at a time. Plans are being worked up for cost standards, and for a setup under which postmasters will have the authority to run their own offices. The boss himself has asked Congress for authority to set up a personnel bureau, and for funds to hire personnel specialists, industrial engineers, and accountants.

• **Congress**—That matter of getting Congressional approval looms very large at the Post Office Dept.; no other gov-

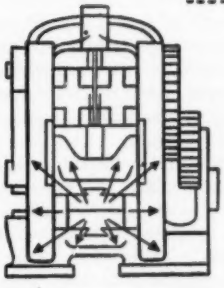
IN THE IMPACTER ALL THE ENERGY GOES INTO THE FORGING



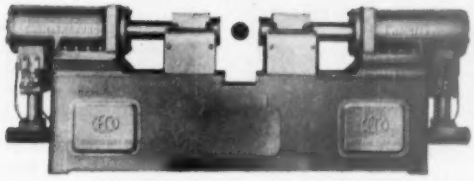
IT HAS NOWHERE ELSE TO GO



(RIGHT) In hammer shock is transmitted to anvil and to foundation—and even to surrounding neighborhoods.



(LEFT) In a press, shock is transmitted to frames, which it sometimes breaks.



THE IMPACTER utilizes a well-known law of physics, which states that when two inelastic bodies of equal mass traveling toward each other at like speeds collide, both bodies come to rest with a complete absorption of energy. In the IMPACTER, the impellers and dies are not inelastic, but the stock acts as an inelastic meeting ground, and as such absorbs practically all of the energy of both impellers while being deformed. The dies meet to strike the forging blank in mid-air. Speeds, pressures and timing are balanced so accurately that energy of impact is absorbed by the forging without rebound, so that there is no transmitted shock, vibration or pressure as in the conventional hammer or press. The energy cannot escape through anvil and foundation or out through frames. It has nowhere to go but into the forging.

CHAMBERSBURG ENGINEERING COMPANY • CHAMBERSBURG, PA.

THE IMPACTER



36 Separate Office Climates from just 4 "Climate Changers"

Another problem solved with Trane air conditioning equipment

THIS happened in a Baltimore building. It *could* happen in yours. The problem is common: to provide perfect year-round climate for employes—in a building broken up into many offices—large and small.

A private office system was out of the question. Too costly. A single-zone central system, the engineers agreed, would leave some spots improperly cooled.

Some of the areas in this building were on the warm sunny side . . . others on a windy corner or in the shade. Some had 20 occupants . . . others only two. Needs varied.

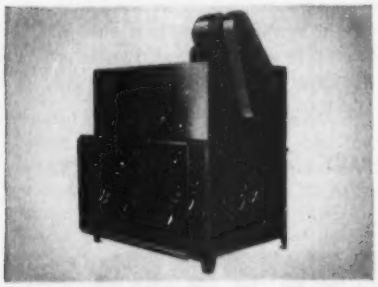
They then explored a third possibility . . . and found the answer. TRANE Multi-zone Climate Changers.

Four of these centrally located units now provide *all 36 different climates* needed in this building. They do a *complete* air conditioning job in each zone . . . and do it economically.

Each climate zone has its own thermostat . . . its own separate air supply. The occupants of each zone control their own climate. They're happy. And so is management.

How about you? Do *you* have a similar problem? Or one entirely different? Either way, you'll find the best answer to it in the TRANE line of *matched* air conditioning, heating and ventilating products.

Talk to the TRANE Sales Engineer in your city. And for additional helpful information, write for a free copy of "Temperatures by Trane." The TRANE Company, LaCrosse, Wis., East. Mfg. Div., Scranton, Penn., TRANE Co. of Canada, Ltd., Toronto. 87 U. S. and 14 Canadian Offices.



Ideal Climate . . . in a package! The TRANE "Climate Changer" heats or cools, adds or removes moisture, cleans and filters the air. Produces ideal climate the year 'round. Yet it's a small, compact unit. Ideal installation for shops, large rooms or entire offices.

TRANE

manufacturing engineers of air conditioning, heating and ventilating equipment

". . . the new boss believes the higher rates need be only temporary . . ."

POST OFFICE starts on p. 98

ernment agency is so much under the thumb of the legislative branch. Congress picks the 41,000 postmasters; it sets salary rates for the department's 535,000 employees; it decides how much money can be spent for new equipment and buildings; it fixes most of the rates that the department can charge for its services.

In the field of operations, Summerfield and his men have a somewhat freer hand, and they are using it. In particular they are following up on the late mail pick-ups inaugurated by the preceding Postmaster General, Jesse Donaldson, a Democrat and a career postal worker.

In Washington, under this system, trucks make their last mail pick-up at 11 p.m. instead of 8:30. The result is that an average 80,000 pieces of mail per day get an earlier start; yet the extra cost is under $5,000 a year. New York City also has a new late pick-up. It gets a lot of mail started on its way during the night, thus escaping rush-hour delays of up to 24 hours.

• **Rural Offices**—In two North Carolina counties, Summerfield has tried out the consolidation of rural post offices. In one case, 19 offices were closed at a saving of $25,000 a year. Yet more people in the area are getting direct home delivery than before.

In large post offices, like New York City and Cleveland, studies of more efficient handling methods are under way. Eventually Summerfield thinks they will yield tremendous savings, and better service.

• **Short-Term**—Improved management methods mean better service. But only in the long-range sense can they take a serious bite out of the department deficit. And Summerfield would like to do something right now about the expected $596.7-million deficit—which may be even larger if he has miscalculated early gains from improved management.

Obviously, that means higher rates. Donaldson begged vainly for years for hikes sufficient to wipe out the deficit. All he got was inadequate boosts—the 2¢ postcard, and a 30% boost in second class. Summerfield differs from Donaldson in one thing: The new boss believes the higher rates need be only temporary—just the two or three years needed to modernize operations.

He has already taken several steps:

• He is trying to have the Civil Aeronautics Board, rather than the Post Office, pay airline subsidies. If Con-

gress goes along, this will mean knocking $80-million a year off Summerfield's deficit, though the Post Office will continue to pay the actual costs of air mail.

• He wants to charge Congress, and the executive departments, for the actual cost of their free mail—a $35-million item.

• He has Interstate Commerce Commission approval for a boost in parcel post rates that he thinks will yield at least $150-million a year. This is one of the few areas where Congress has waived its rate-fixing powers.

Even if all this pans out, Summerfield will have got rid of only $265-million in deficit—another $300-million will still be written in glaring red ink. To polish that off, too, he is looking wistfully at Congress. What he wants is a jump in first class from 3¢ to 4¢; a new 30% increase on second class (mostly newspapers and magazines); and a 30% jump in third class.

• **Reluctant**—Actually, there isn't much chance that Congress will come through, this year. As Donaldson found out, there is strong Congressional opposition to any increase in postal rates. The present legislative overload gives a fine excuse for avoiding a hot fight over postal rates, while grave matters are still unsettled. Actually, Republican leaders in Congress were putting pressure on President Eisenhower last week to prevent the Post Office Dept. from asking for rate increases now.

The prospects for 1954 aren't much better. In an election year, few congressmen will relish the issue.

• **Long History**—Post Office deficits haven't seemed to worry Congress much for a century. Before that, the department was self-supporting. But since the official policy became more service to more people, there have been deficits in all but 13 of 100 years.

The coming fiscal year will be the first one in which Summerfield has had a full shot at cutting the deficit, though he already has it down from the $642-million estimated for the fiscal year that ends June 30.

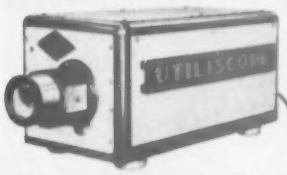
Part of that deficit has always been blamed on the habit of giving the top departmental jobs to politicians—though Donaldson was an exception. Summerfield himself seemed to be in the old pattern; he was the national chairman of a victorious party. His top appointments, though, quickly broke the political pattern.

Summerfield didn't confine his use of businessmen to the permanent staff. Volunteers like Heber Tullis, vice-president of Armco Steel Corp., and Samuel Burk of Pittsburgh Plate Glass Co. came in as temporary advisers on particular problems. The management firm of Robert Heller & Associates was retained to help map the general reorganization of the department.

OFTEN THERE IS NO SUBSTITUTE FOR A GOOD LOOK



That's Why Industry Needs the "UTILISCOPE"



DIAMOND "UTILISCOPE"
(WIRED TELEVISION)

A description may help find a suspect, but before identification can be positive enough to stand in court, somebody who knows the man must take a good look at him.

In many industrial processes, there also is no substitute for a good look. Correct control depends upon the operator having a SENSE OF REALISM that instruments cannot provide . . . that SEEING alone can give.

The Diamond "Utiliscope" (wired television) enables the operator to have a "good look" at all times no matter how remote, inaccessible or dangerous the location of the process. The "Utiliscope" is exceptionally rugged, reliable, and moderate in cost. There undoubtedly are places in your plant where it will save money, improve quality, promote safety and/or reduce manpower requirements. Write for Bulletin.



TYPICAL USES—Studying destructive tests of engines • Watching flow of molten steel • Checking remote gauge readings • Observing conditions inside furnaces • Viewing nuclear research • Coordinating materials flow on conveyors • The "Utiliscope" (Registered U. S. Patent Office)



WRITE FOR BULLETIN 1025 T

DIAMOND POWER SPECIALTY CORP.
FIRST IN INDUSTRIAL TELEVISION
LANCASTER, OHIO • OFFICES IN 39 PRINCIPAL CITIES
Diamond Specialty Limited—Windsor, Ontario

Since 1903, Diamond has Manufactured Quality Equipment For Industry

608

Louisiana



A Happy Place to Work

Industrialists agree that one of the best known cures for labor ills is a healthful, invigorating climate. And LOUISIANA has it! An average of 142 clear days per year assure you of more full working days, less absentee worries, and a healthy, contented working force.

Today, Louisiana's industrial employment is 695,200 — more than 100,000 over the peak employment during World War II, and is increasing daily.

Of the 5,117 work stoppages in the United States during 1952, Louisiana had only 1.9 percent. Out of the 59,000,000 man-days lost in these stoppages, only 1.2 percent were lost in Louisiana... a wonderful record for Louisiana Industry!

Louisiana has the perfect climate and the skilled, contented labor forces ready to work for you at your new plant location.



GET ALL THE FACTS ABOUT LOUISIANA—WRITE ON YOUR COMPANY LETTERHEAD TO:
Department of Commerce and Industry
2301 State Capitol,
Baton Rouge, Louisiana



ORIENTATION lectures to work new postal employees into their jobs more smoothly is one of the tricks Cleveland's post office is using as it starts . . .

Revamping from Below

The streamlining program that Postmaster General Arthur E. Summerfield has launched may make a lot of difference in mail service (page 98). But Summerfield doesn't carry a mail sack. Streamlining isn't going to get the post office out of hot water unless a general program of training and upgrading the employees of local offices goes with it.

For the past two years, exactly that kind of program has been running in Cleveland. The postmaster and his assistants have taken some tips from industry, launched a four-pronged program to boost efficiency. Their plan to smooth out operations and improve employee relations is already showing results. And it isn't costing the taxpayers a cent.

• **Postal Picture**—When Postmaster Joseph F. Prosser and Assistant Postmaster Martyn S. Thomas took office in Cleveland in 1950, they walked into their jobs with a clear picture of the system and its shortcomings; Prosser had been in the service for almost 30 years, Thomas for close to 25 years. They were determined that a tight budget wouldn't stop them from setting up corrective programs.

One of the toughest problems facing them was that of hanging on to employees. Turnover climbed to almost 10% a year after Korea. The lure of high wages paid by booming Cleveland industry, and the fact that 70% of the city's post office work is done at night, were important factors. But Prosser and Thomas felt the exits stemmed also from the fact that workers came on the job with little understanding of their duties and responsibilities. If new men were cased in properly they might stick longer.

• **Orientation**—Early in 1951, they set up a thorough-going orientation program. To work out the mechanics, they uncovered three employees who had the necessary know-how: Leo Loughead, and Emmett and Bennett Cooper, twin brothers.

The three-man team came up with an intensive three-day program that works like this: The first day, new recruits are filled in on the history and function of the department, given general information about their jobs, and familiarized with equipment they'll use. An attitude survey is made the same day to sound out employees on what they think the public expects of the postal service and how they regard their jobs. That helps the instructors get at misconceptions.

Next day, lectures spell out such points as sealing and sanctity of mail, and employee organizations. On-the-job training gets over the fundamentals of the operation of separating outgoing mail geographically.

The third day, employees learn the organization and lines of authority of the Cleveland setup, and clerks are briefed on the detailed breakdown of the mail. As a windup, instructors outline promotion possibilities. Then a second attitude survey is made to see

if training has overcome false notions.

Prosser and Thomas feel sure that this orientation explains the fact that turnover among newcomers has dropped from 10% to 7% annually, and last month dropped to 5%. They believe that the shrinking turnover, plus preparation for better performance right from the start, is showing in production. They point out that although a more complicated sorting operation on outgoing mail—amounting to about 40,000 added hours—has been loaded onto the post office workers this year, they are still managing to move as many pieces a day as they did last year. Two weeks after they started the course, Washington issued a letter recommending the same to the 50 largest post offices in the country.

• **Training for Supervisors**—With the training of new recruits set up, the two men recently have turned a sharp eye on the supervisory level. Due to civil service regulations, men who get these jobs usually rise strictly by seniority; no attempt had ever been made to train a supervisor for his new duties. Early this spring, Prosser and Thomas took a first step in that direction when they invited Dr. Elcroy Stromberg of Western Reserve University's psychology department to speak to 216 supervisors on management leadership. Afterward, supervisors swamped Prosser with requests for a regular training program. The supervisors are paying for the series of 10 lectures on human relations set up by Dr. Stromberg out of their own pockets.

• **Recognizing Merit**—The need for greater incentives for the rank and file led to still another innovation. Conscious of the bewildering amount of information on the web of city streets and postal substations—the "scheme"—a clerk must cram, they looked for some way to reward employees who did outstandingly well on the "scheme exams" that clerks must take.

At first, the two chiefs recognized employees who hit a score of 100% by listing their names in a departmental bulletin. Then they began purchasing gold pins for top scorers. Result: Proficiency of scheme knowledge has been upped 100% in the past couple of years, says Thomas, and chances of misdirected mail have dropped accordingly.

• **Less Sick Leave**—Last May, when a new dispensary was being set up, Prosser and Thomas reached into their own pockets to buy equipment not covered in the budget. This dispensary, along with orientation stress against abuse of sick leave, has paid off in a sharp decline in hours taken—from 45,016 sick leave hours in the first quarter last year to 30,366 in that period this year.



would you bet on *half a horse?*

Of course you wouldn't! So, why bet on a half-efficient dust collecting system? With a DUSTUBE Collector you can be assured of virtually 100% efficiency . . . not only in trapping the visible dust particles but also those in the extremely fine micron size ranges that escape many other dust control systems. Dustubes remove dust at its source, before it permeates the atmosphere.

The unique high efficiency of Dustube Collectors is proven throughout industry with results like this: *"The state health department recently made a dust count in our plant and reported that we had one of the lowest counts in our industry."* This efficiency is also reflected in the attractive profits effected in salvaging valuable materials. A cotton oil plant, for example, is saving $7,000 annually, a woodworking plant $6,000 yearly and a midwest chemical company $112,500 annually.



Send for the 28-page Dustube Brochure showing typical applications in 18 major industries.

American
WHEELABRATOR & EQUIPMENT CORP.
461 S. Byrkit St., Mishawaka Ind.

dustube® COLLECTORS

Too Small To See!
OR WE'D SHOW YOU



MECHANICAL MICRO-DRILLING

A challenge to all instrument and allied manufacturers!

It is a safe bet that you are using 19th Century basic design in your machines for small and microscopic drilling. Now available, 20th Century patented design . . . new, revolutionary and thoroughly proved.

You can increase drill life, vastly improve hole quality and save hundreds or many thousands of dollars, limited only by the scope of your operations. For the first time, as many as 1,000 holes at once — parallel multiple drilling up to 100 holes in a 3" diameter plate simultaneously.

Investigate for your own sake. Now the standard of quality is "NAJET" drilling equipment, drills and technique. Write or call National Jet Company, Cumberland, Maryland.

Also Distributors of American Optical Co. Industrial Optical Equipment



NATIONAL JET COMPANY
CUMBERLAND, MARYLAND

DODGE REPORTS TELL YOU WHO
your best prospects are in new construction . . .

DODGE REPORTS TELL YOU WHERE
they're located, anywhere east of the Rockies . . .

DODGE REPORTS TELL YOU WHEN
to call on them, right when they're ready to buy. Save salesmen's time . . . cut sales expenses . . . use Dodge Reports! Get "How to Use" book free.
Write Dept. B5312

DODGE REPORTS
119 W. 40th St., New York 18, N. Y.
Timely, accurate construction news service East of the Rockies
THE FIRST STEP IN EVERY SALE
F. W. DODGE CORPORATION

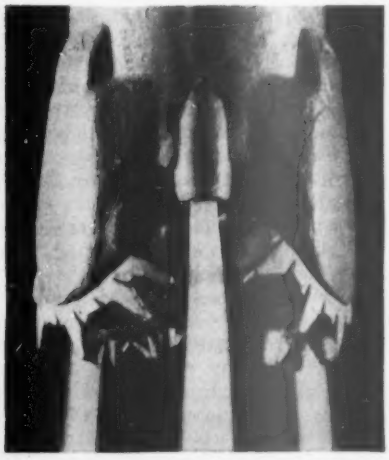
PRODUCTION



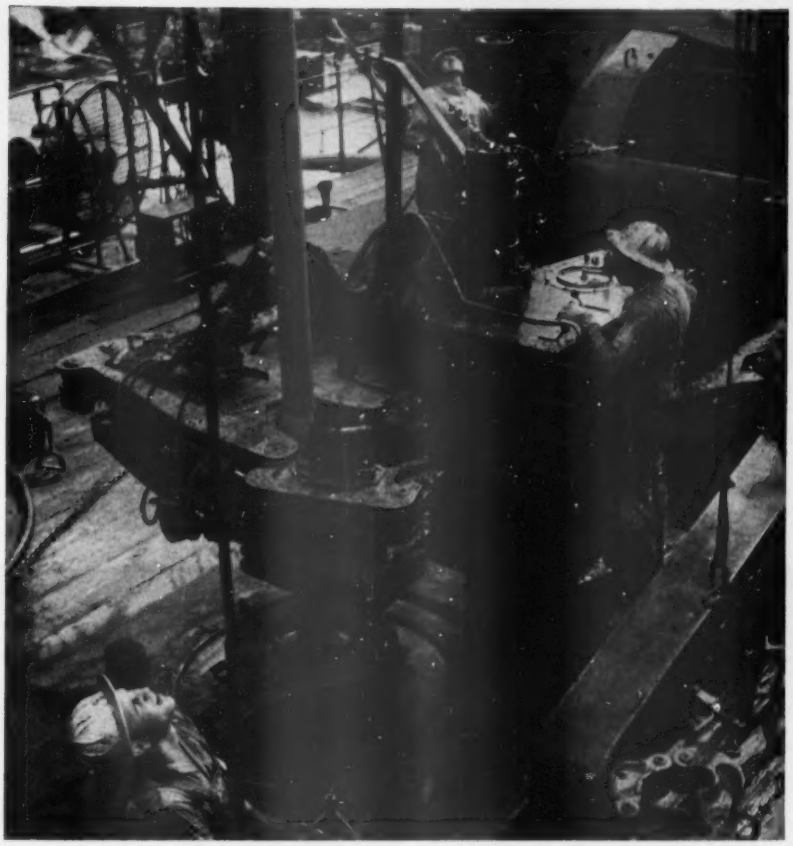
NASTY JOB Traditionally, oil drilling has called for muscles, sweat and more muscles; the strain on the crew soon passes the efficiency point. On a conventional rig like this one, the crew must stack the drilling pipe by hand, fit it together, take it apart, push it around for hours. Fatigue soon sets in.

New Tools for Getting





JET BITS are a new development. They squirt streams of mud at 250 ft. to 500 ft. per sec. in front of cutting edges rotating into the earth. Jets soften the earth, quickly carry away shavings, cut up to 75% more each hour than ordinary tools.



NEW WAY Buttons and levers operate a new rig being developed by Humble Oil & Refining Co. in West Texas fields. It's semi-automatic; one crewman operates the whole works. The gear is powered by hydraulics and compressed air. It's more expensive, but saves crew's energy for more important jobs.

Oil Out (Story continues on page 106)



ELECTRONIC computers, back in the office, help find oil deposits. Armchair experts get data from geologists and geophysicists in the oil fields, feed it into the computer, calculate chances of finding a pool.



This Drill Head speeds and simplifies work on small, close precision parts such as a 1" long brass rocking shaft, a brass connecting link with a .0135" hole, or a 1/8" rod of high carbon steel with two No. 60 drill holes.

Saves $5000 per year using $225 DUMORE AUTOMATIC DRILL HEAD

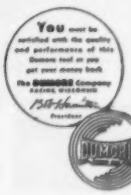
Precision parts manufacturer assures accurate, close tolerances with DUMORE Tools

THIS manufacturer produces small aircraft instrument parts frequently requiring tolerances measured in ten thousandths of an inch. To handle small hole drilling in materials ranging from brass to high carbon stainless steel, a $225 DUMORE Automatic Drill Head was purchased.

Here's how it paid off: (1) In 500 hours' operation, the Drill Head tripled output, accounted for savings of $5000 in the cost of production alone. (2) It eliminated the need for premium skilled help as it is automatic, takes speed, feed, pressure and stroke out of the operator's hands. And (3), it has increased drill life by 400% or more!

As a company official put it, "We have found that this Drill Head will do things we have never been able to do with any other tool."

In these days of rising costs and a shrinking supply of skilled labor, can you afford not to check into the amazing advantages of DUMORE Tools? For details see your industrial distributor or write.



The
DUMORE
Company
1331 Seventeenth St.
Racine, Wisconsin

Tool Post Grinders • Flexible Shaft Tools • Hand Grinders • High-Speed Drilling Equipment



VP'S AND N-C'S
GO TOGETHER

Why? Because every exec requires some device to fasten papers. And N-C, the plier-type stapler, is the executive's choice. It *looks* "executive". It's compact, flat; stows away handily in a shallow desk drawer. No more fumbling with tiny clips.

ASK YOUR COMMERCIAL STATIONER TO SHOW YOU NEVA-CLOG

N-C INDUSTRIAL FASTENING

Neva-Clog plier-type Staplers seal packages, bags, affix labels and tags, join heavy fabrics, light woods, plastics, etc.—often faster, cheaper than any other method.

N-C

Write, on your letterhead, requesting stapler for free trial.

NEVA-CLOG PRODUCTS, INC.
508 Logan Street, Bridgeport 1, Conn.

STOP RUST!
ONCE AND FOR ALL



PROTECT
IRON and STEEL PRODUCTS
with genuine
hot-dip
GALVANIZING
(Dipped in Molten Zinc)

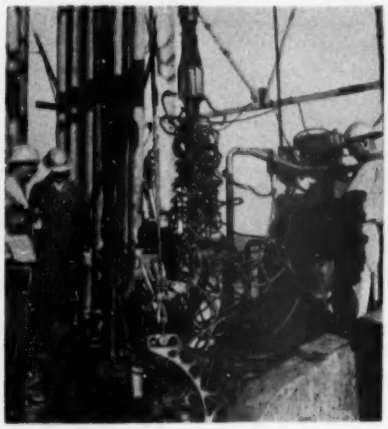
Write for HOT TIPS Booklet.

HOT DIP

AMERICAN HOT DIP GALVANIZERS ASSOCIATION, INC.



READING THE LOG, an oil man sees a geologic profile of the hole he has drilled into the earth. To get the log, he bombards the deep rock formations with electric current, gamma rays, or radioactive neutrons. The echoes from the rocks are recorded on charts through electric measuring devices. A study of the charts tells the expert just where the oil bearing sands are. He puts casing pipe all the way down the hole, then uses . . . . .



FISHING gear retrieves equipment that has fallen into a new well hole. A fishing tool hauled up this cable. Other . . .



. . . fishing tools can clamp, cut, thread or grapple. For some jobs, a powerful electromagnet is used. Other jobs need . . . . . .

Drill Deeper, Faster, Get More Oil

To a petroleum man, an oil well is a highly engineered hole in the ground. And every year he makes it a little more complicated with new technical developments. Some of these recent products and methods are shown above, and on pages 104 and 105.

His aim is to get more oil out of the earth, either directly or indirectly. If he can buy a better shaped charge that will stab into the ground by a few more inches, the product can mean the difference between a producing well and an expensive but useless dry hole. An expert in electronic computers, who might never see a drop of crude oil, can help locate a well by applying higher mathematics to geology.

• **Deeper**—One big reason for this growing technology is that, year after year, petroleum men go deeper into the earth to get more crude for the markets. In 1952, the average well depth was 200 ft. more than in 1951, and 650 ft. more than 1947. It's now commonplace for an oil man to drill in the range between 8,000 ft. and 12,000 ft. Around Weeks Island, Louisiana, he has gone down more than 15,000 ft.

As the wells go deeper, operating costs naturally get higher. So the oilman's bag of tricks must cut costs, besides helping him to get more oil up to the earth's surface. Materials—mostly metals—have helped to hold down costs.

• **Borrow**—Often, the equipment manu-



. . . these shaped charges to open each pool when he wants it. The charges, of the kind used to crack enemy armor in World War II, are carried down into a hole in a gun that can be aimed with minutest accuracy.



. . . a threaded, tapered tool that can snag big metallic objects, bite into the junk just like a wood screw.

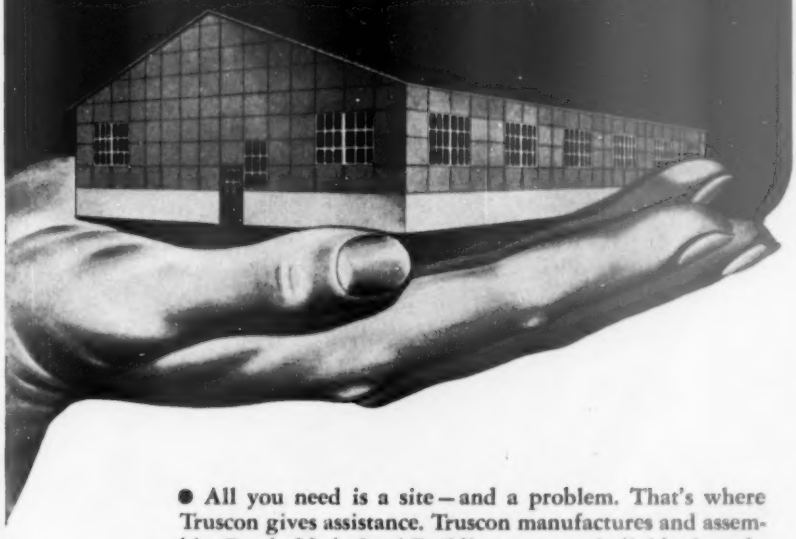
(Story starts on page 104)

facturers borrow ideas from other industries. The shaped charge originally came from the munitions business. And a driller now uses a bit that has tips of tungsten carbide, a metal that was first designed for cutting operations on machine tools.

The bits have been the answer to breaking through the very hard formations such as flint- and quartz-base rock that hold the deeper oil pools. Instead of cutting, a carbide bit simply crushes the rock it's boring. It does the job four to eight times faster than other types. The harder the formation, say some experts, the shorter the drilling time with a carbide version.

• **Well Engineered**—But adapting new

JUST TELL TRUSCON
WHERE TO DELIVER
YOUR COMPLETE STEEL BUILDING



• All you need is a site—and a problem. That's where Truscon gives assistance. Truscon manufactures and assembles Ready-Made Steel Buildings to your individual needs, using standard pre-fabricated structures. These are precision-engineered and mass-produced in a wide range of standard designs. You use them wherever you need a strong, reasonably-priced building to house any type or size of operation.

In every design, these quality steel buildings offer fire protection, low cost, good utility, quick erection and top salvage value. They can be disassembled and re-erected as your space needs change. As permanent structures, they offer low upkeep and high investment value.

Truscon engineers will work with your staff to select the ready-made steel building—or buildings—which best meet your need and your budget. Then just tell Truscon where to deliver. We cooperate with your local contractors on erection. That's Truscon Speed-Erect Service. It's at your service now.

Write for the catalog describing Truscon Ready-Made Steel Buildings. It pictures actual installations and mechanical details to help you develop your plans.

TRUSCON
MARK OF MERIT
PRODUCTS

TRUSCON STEEL DIVISION
REPUBLIC STEEL CORPORATION
1076 ALBERT ST. • YOUNGSTOWN 1, OHIO

TRUSCON® a name you can build on

Colitho
BUSINESS SYSTEM

SPEEDS ORDER PROCEDURE FOR KROEHLER MFG. CO.



Wherever paper work requires more than one legible copy, a Colitho Business System can be used to speed the operation, eliminate transcription errors, and cut clerical costs. Colitho paper offset duplicating plates, plain or pre-printed, can be incorporated in single, multiple part, flat pack or roll forms. Colitho Business Systems provide for variables and blackouts, deletions or additions. Partial information can be added at any time. All business paper work lends itself to simplification through a Colitho System.*

Regardless of the kind of business you are in, Colitho Systems offer time and money savings in purchasing, manufacturing, distributing, selling, billing and accounting. For more information, mail the coupon attached to your business letterhead.

*Where spirit duplicating equipment is used the same results can be obtained with a Columbia Ready-Master System.

- *Orders written on a Colitho plate*
- *Plate mailed to factory*
- *No transcriptions—no copying errors at factory*
- *Copies run off for production, shipping, invoicing, accounting*
- *Costly order typing pool eliminated*
- *Time saved—costs slashed*

Colitho Division
COLUMBIA RIBBON & CARBON MFG. CO., Inc.

Colitho
OFFSET DUPLICATING
PLATES AND SUPPLIES

Colitho Division, COLUMBIA RIBBON & CARBON MFG. CO., Inc.
506 Herb Hill Rd., Glen Cove, New York

Please send information about Colitho and Ready-Master Business Systems.
Our duplicating equipment is: Offset ☐ Spirit ☐

Name_____
Company_____
Address_____
City_____ Zone_____ State_____

developments to deep-drilling operations isn't always easy. Above or below the ground, rugged conditions might cause a piece of equipment to fail unless it is well engineered.

The bottom of a newly drilled hole, for example, is hot and humid. So the manufacturers of jet charges have had to be extra careful in concocting their explosives. A charge must have plenty of punch, and yet not deteriorate nor fire prematurely under the hot temperatures in the hole. Too, a liquid-seal is needed to keep foreign liquids out of the gun that carries the charges to the bottom and fires them.

Mouthful

The Air Force figures it bit off too much in ordering giant presses. It's canceling contracts for seven.

Many industrialists were wearing I-told-you-so grins last week. They had just heard an announcement from the Air Force to the effect that it will cancel contracts for seven giant forging and extrusion presses—the type that are used for making big one-piece aircraft parts.

The Pentagon brass didn't give the dollar value of the contracts. But some industry experts figure it this way: The whole program would have cost about $389-million. The canceled presses are around one-third of the program. So the Air Force is cutting off about $129-million worth of presses.

• **Reasons**—Air Force Secretary Harold E. Talbott said that, to start with, the heavy press program is excessive. Originally, it called for 17 units altogether. But he added that the cutback doesn't indicate the Air Force has changed its thinking about making aircraft parts from presses.

Talbott gave another reason for the cutback—and this is what made the industry experts grin smugly: "Right now," said Talbott, "there is not . . . sufficient technological knowhow about the use of such presses to justify building them in such quantity."

Company experts had been harping on that same theme ever since the Air Force announced its budget for the program. The Air Force, they felt, had bitten off more than it could chew (BW—Oct.4'52,p58). They were sure the conversion from bits-and-pieces building to one-piece construction in two years would be too fast. It would also put too heavy demands on the capacities and manpower of the accessory manufacturers such as die makers.

• **Cut List**—The contractors that will shortly get the word from Washington





SAVE TIME WITH "TIME-SAVER"

Gear your production schedules with the dependable performance of B & O's Time Saver Service. A streamlined LCL operation that provides *Sentinel* dependability and saves ⅓ or more shipping time!

Ask our man!

BALTIMORE & OHIO RAILROAD

Constantly *doing things*—better

how do YOU pronounce
HINDE & DAUCH



HINDE rhymes with FIND
DAUCH is pronounced DOWK

Say HIND and DOWK
America's Authority on Packaging.

our 65th year
H&D®

CoraGated

©H&D

HINDE & DAUCH

SANDUSKY 1, OHIO

17 MILLS AND FACTORIES • 40 SALES OFFICES

are several of the top specialists in the industry. Here's the unofficial lineup of the companies and the units they'll shelve:

• E. W. Bliss Co., Canton, Ohio, had contracts for two presses of 35,000 tons and 25,000 tons, both forgers.

• United Engineering & Foundry Co., Pittsburgh, has been working on two presses: one 35,000-ton forging press and a 20,000-ton extrusion press.

• Baldwin-Lima-Hamilton Corp., Lima, Ohio, is working on another 25,000-ton extrusion job.

• Loewy Construction Co., New York City, was slated for two extrusion models: 25,000 tons and 8,000 tons.

• **Hard Times?**—The contractors may be smiling over the accuracy of their soothsaying, but they have cause to be gloomy underneath. A good part of their work has reached the metals-fabricating stage. Many huge metal parts, such as foundations and supports, which have strained the steelmakers' capacity, have already been shaped and forged. Other presses, though, are still only blueprints in the companies' drafting rooms. What will happen to the work that's already finished is still a moot question.

One company, notified informally by the Pentagon that its cancellation was on the way, admitted surprise over the cutbacks. It hadn't believed the rumors that had been floating through the industry. Its complaint was that it had turned down other civilian business in order to meet the Air Force's requirements. Now, it has to drum up outside work to replace this big loss.

The cutbacks mean, too, that the end users of the presses will have that much less work on their hands. Three firms were earmarked for operating them: Aluminum Co. of America at its Lafayette (Ind.) plant; Harvey Machine Co., Torrance, Calif.; and Kaiser Aluminum & Chemical Corp., Newark, Ohio.

New Titanium Process Gives Quality Control

Bit by bit, titanium is developing a full-blown technology, just like the other metals.

This week, Mallory-Sharon Titanium Corp., Niles, Ohio, announced a new way of smelting the metal, one that will mean better production from a few different angles. The new method goes hand in hand with another one that the firm recently worked out: Right after its formation, the company disclosed a patented process for rolling titanium in sheet form.

Mallory-Sharon is a titanium specialist, backed by P. R. Mallory & Co., Inc., Indianapolis, and Sharon Steel

HOW TO OPEN THE DOOR TO PRODUCTION ECONOMY

New design approach explores production economies with plastics

A fresh approach to cost reduction, reported in a new Monsanto management study, lies in *designing* for production economy—with plastics. Thanks to this new trend in design thinking, manufacturers in many product fields are now cutting production costs by as much as 50 per cent.

Faster cycles . . . elimination of machining, painting, assembly and other finishing operations—made possible by plastics—are now prime considerations right at the conception of the product.

For the full story of how manufacturers are cutting costs with the new approach to design problems, send for your free copy of Monsanto's new management report. Just use the coupon below. Also—if you would like individual assistance with your materials problem, call on the Monsanto Technical Council—a board of experts in plastics, who will be glad to advise you on any questions related to plastics.



FREE—Send for your product design report today. Mail the coupon below.

MONSANTO

SERVING INDUSTRY...WHICH SERVES MANKIND

MONSANTO CHEMICAL COMPANY
Plastics Division, Room 1227, Springfield 2, Mass.

Please send me your report on the new approach to product design.

Name & Title _____

Company _____

Address _____

City, Zone, State _____

1001 Products to improve processing HOUGHTON





"Liquid Heat" helps to open millions of Korean breakfasts

When a prominent manufacturer supplying can openers for G.I. rations had trouble heat treating the steel specified, he called in the Houghton Man.

A heat treating combination was developed by our research staff which solved the problem neatly—Houghton's "Liquid Heat" for rapid, unvarying hardness and "Mar-Temp" for precise quenching.

Houghton's ability to solve processing problems like this one is making the Houghton Man more and more welcome in industrial plants throughout the U. S. and other countries.

If you do processing of any kind—particularly metalworking, textile or paper—calling for the help of Houghton research can pay off handsomely in improved production and lowered costs.

Ask the Houghton Man for aid whenever he calls at your plant. Or write directly to E. F. Houghton & Co., Philadelphia 33, Pa., for our Product Index covering the Houghton line.

E F HOUGHTON & CO.
PHILADELPHIA · CHICAGO · DETROIT · SAN FRANCISCO



Ready to give you on-the-job-service . . .

Metalworking and Textile Processing Products · Lubricants · Packings · Leather Belting

Corp., Sharon, Pa. Mallory handles the research and development in the metal's metallurgy. Sharon works the practical side, using its plant equipment.

• **How It's Done**—Mallory-Sharon won't give the details for its smelting method. But, generally, it is this: Any producer starts out with a basic form of titanium, called sponge. The sponge must be melted into an ingot before it can be fabricated. So far, arc melting and induction melting have been the industry's choice for melting the sponge. Each has had its advantages and drawbacks.

Arc-melted ingots aren't always uniform, metallurgically, in their contents and make-up. Induction melting has given the producers a hard time in controlling the all-important carbon content of the ingots. Mallory-Sharon says that both of these bugs have been overcome in its process.

Outside experts have gleaned this much about the method: The crucible in which the metal is melted is made from copper, and is water cooled. Inside the crucible, the conductors (or electrodes) are made from titanium, instead of carbon used in conventional electric-powered furnaces. That, says the experts, prevents the ingots from being contaminated by the carbon.

• **What It Does**—The pay-off from the process is first-rate quality control of the ingots. Titanium sheets that are rolled from the same ingot come out without any variations in quality.

M-S says that its baby is also flexible, can be used on a variety of titanium alloys. As a result, the firm is boosting its output of one alloy containing aluminum and chromium, which has the highest mechanical strength of any in production.

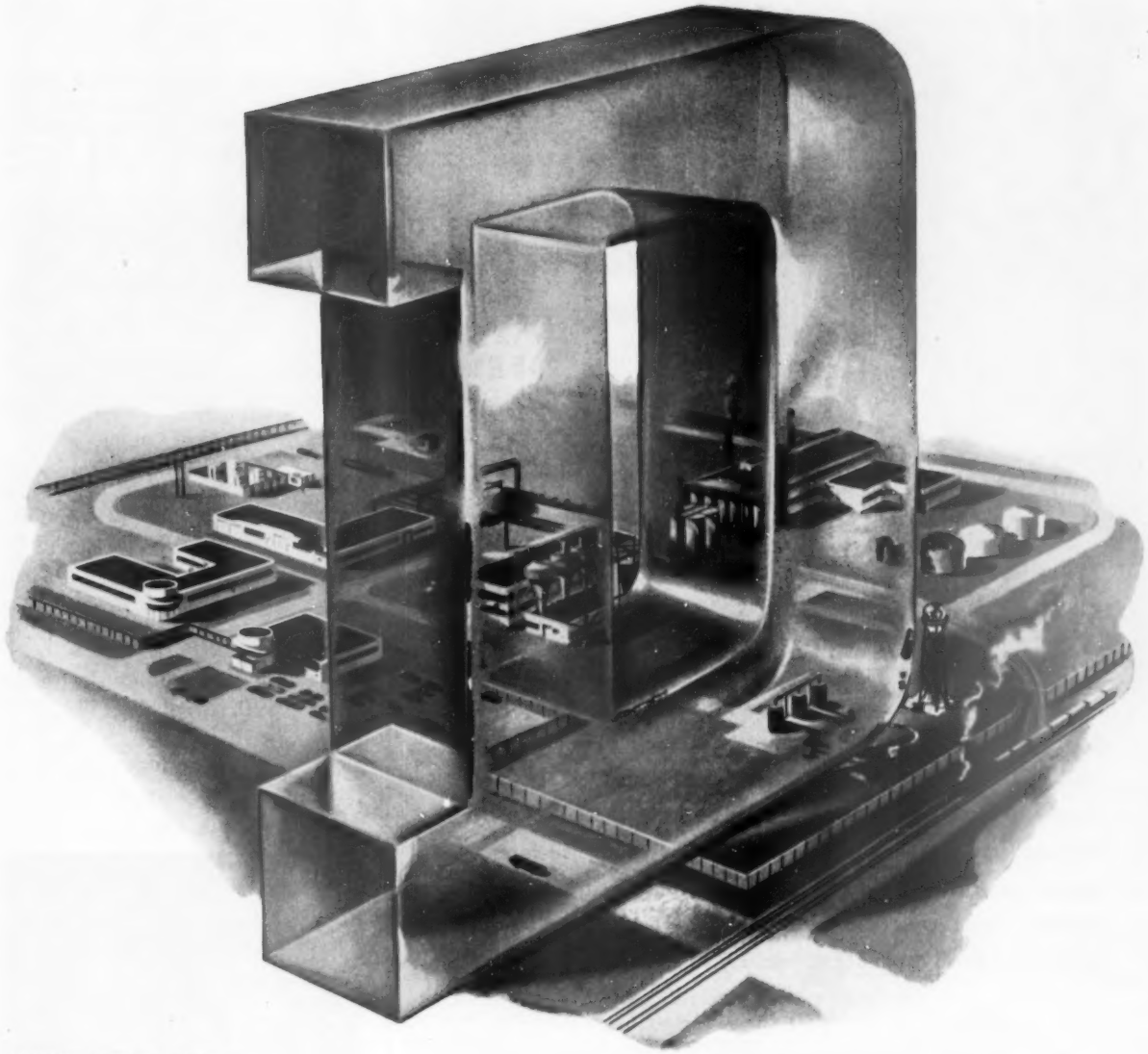
The company's announcement came with the opening of its laboratory for titanium research in basic and production fields. The lab is located at Sharon's rolling mill at Niles.

PRODUCTION BRIEFS

A shipload of Liberian iron ore is to be delivered to Timken Roller Bearing Co. in Canton, Ohio, by the end of June—for use in Timken's open hearth operations. Purchased from Liberian Mining Corp., the 10,000-ton shipment is high-grade ore containing 67% iron. Timken officials say it is better than Brazilian ore, and should last about a year.

•

Factory-assembled chemical reactors are being produced by Pfaudler Co. (Rochester, N. Y.) for the chemical and pharmaceutical industries. Standard-



DAVISON CATALYST PLANT
LAKE CHARLES, LOUISIANA

The Greatest Catalyst of All . . .

The greatest catalyst of all is that which promotes growth and increases value. Such a catalyst, in the form of heavy industry, is being applied to our southern states today. The Davison Chemical Corporation has joined in this important development by building a fluid-type cracking catalyst plant at Lake Charles, Louisiana. This modern plant will service several major refineries which are also in this area. The big "D" proudly takes its place with American industry where major growth is indicated.

Progress Through Chemistry

THE DAVISON CHEMICAL CORPORATION

Baltimore 3, Maryland

PRODUCERS OF: CATALYSTS, INORGANIC ACIDS, SUPERPHOSPHATES, PHOSPHATE ROCK, SILICA GELS AND SILICOFLUORIDES. SOLE PRODUCERS OF DAVCO® GRANULATED FERTILIZERS



RIGHT ON TIME!

FORT WAYNE INTEGRATION BRINGS *RELIABLE* SHIPPING CONTAINER SERVICE

Dependable, on time production and delivery of corrugated containers are required and demanded by today's busy shippers. That's why so many call on Fort Wayne for service that puts quality containers *where* they're needed, *when* they're needed, in the *volume* needed. Fort Wayne's completely integrated operation makes it possible. It's the result of long range planning that goes back to the basic source of raw materials and extends through every step in manufacture. Fort Wayne's four modern fabricating plants draw on virtually unlimited supplies of kraft containerboard made to Fort Wayne standards by its affiliate Southern Paperboard Corporation. And Southern Paperboard in turn draws on virtually unlimited raw materials from vast, company controlled forests. Ample resources, big capacity, complete quality control, prompt delivery . . . no wonder shippers depend on Fort Wayne for superior corrugated container service. Try it. See for yourself.

CORRUGATED FIBRE BOXES

CORRUGATED PAPER PRODUCTS

Fort Wayne CORRUGATED PAPER COMPANY

GENERAL OFFICES • FORT WAYNE 1, INDIANA

Sales Offices:

Chicago, Ill.
Peoria, Ill.
Hartford City, Ind.
Indianapolis, Ind.
Muncie, Ind.
Vincennes, Ind.
Washington, Ind.
Holland, Mich.
Jackson, Mich.
Jersey City, N.J.
Buffalo, N.Y.
Jamestown, N.Y.
New York, N.Y.
Rochester, N.Y.
Syracuse, N.Y.
Utica, N.Y.
Akron, Ohio
Cincinnati, Ohio
Cleveland, Ohio
Columbus, Ohio
Dayton, Ohio
Lima, Ohio
Harrisburg, Penna.
Pittsburgh, Penna.
Winchester, Va.
Milwaukee, Wis.



Plants:

Rochester, New York
Chicago, Illinois
Pittsburgh, Pennsylvania
Hartford City, Indiana

Affiliate:

Southern Paperboard Corporation
Port Wentworth, Georgia

izing the reactors will permit two-week delivery schedules, as compared to previous 12- to 16-week deliveries, for 500, 750 and 1,000-gallon sizes.

•

Silicone rubber parts can be made in the same molds as natural and synthetic rubber parts by using a silicone rubber developed by General Electric Co. GE says the new silicone rubber has only half the shrinkage after molding of conventional silicone rubber compounds.

•

A new clad metal plant is ready for full-scale operations by Superior Steel Corp. of Pittsburgh. The plant, built and equipped jointly by Superior and the Ordnance Corps of the United States Army, will produce metal clad steel strip for bullet jackets.

•

A technical cooperation agreement has been signed between Westinghouse Electric Corp. and Rolls-Royce, Ltd., Derby, England. The agreement includes exchange of information on design, development, and production of gas turbine aero-engines and a limited interchange of personnel.

•

The world's first propane gas-operated turbine-electric locomotive has made satisfactory tests, according to Union Pacific RR. A single unit produces 4,800 hp—more than is produced by three standard diesel units.



Biggest Switch

The switch (above), designed for disconnecting high-power electric circuits, is the largest of its kind ever built by the Switchgear Division of Westinghouse Electric Corp. Company engineers say the switch can handle 33,000 v., the sort of power surge that might be caused by a lightning stroke. Manual control, or an electric motor, opens the device.



Fuel Unloading Wharf protected from fire by fast-acting Rockwood WaterFOG

Preventing a 450-mile famine

The wharf above is a danger point.

Oil tankers come to it, unloading their cargo into a pipeline that feeds oil to 11 bulk stations along a 450-mile stretch. Should oil spill over during unloading, both wharf and tanker could ignite, cutting off the oil supply, and starting a 450-mile famine.

Rockwood WaterFOG protection prevents such a disaster.

In case of an oil spill, 247 Rockwood WaterFOG heads quickly discharge WaterFOG beneath the wharf, beside the wharf, and above the pipeline. Fire is controlled in seconds.

Special Rockwood WaterFOG heads create WaterFOG by exploding water into millions of cooling, heat-absorbent particles. These particles speedily cover a far greater area than ordinarily possible, causing rapid drop of temperature below ignition point. The particles turn into steam that smothers fire.

Rockwood installed WaterFOG systems are but one of many kinds of Rockwood fire-fighting equipment in which Rockwood engineers water to cut fire losses.

ROCKWOOD

ROCKWOOD SPRINKLER COMPANY

Engineers Water . . . to Cut Fire Losses



Pumping Room protected by Rockwood FogFOAM system. Special Rockwood FOAM liquid is mixed with water, then discharged through an engineered system of Rockwood FogFOAM Heads.



Attractive Lounge employs specially engineered Rockwood SPRINKLER SYSTEM. Note ingenious wall installation. Makes Sprinkler System inconspicuous.

SEND FOR THIS INFORMATIVE BOOKLET

ROCKWOOD SPRINKLER COMPANY
112 HARLOW STREET
WORCESTER 5, MASS.

Please send me the 12-page, illustrated booklet, "15 Types of Fire Protection," giving actual case histories of different types of fire control.

Name .....

Title .....

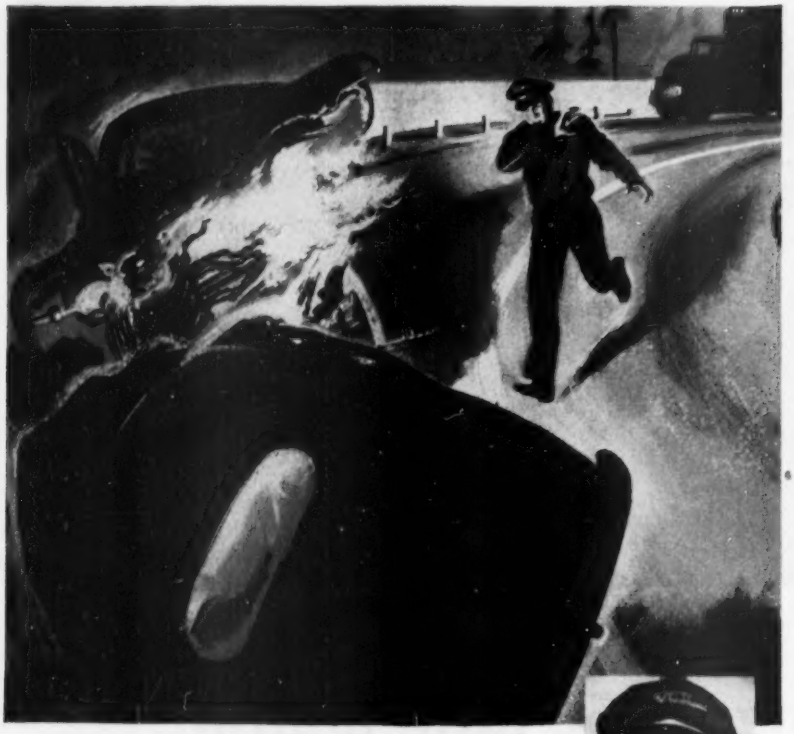
Company .....

Street .....

City .....

Zone .....State .....

Braves blazing car trying to rescue six!





Heroic deed climaxes 27 years of safe driving!

S. F. "Pat" Burkholder of Sparks, Nevada, driver for Garrett Freightlines, Inc. has made heroism a habit. He recently won the trucking industry's coveted "Driver of the Year" award—after a recent attempt to save six victims of a head-on collision, trapped in a burning automobile. Pat suffered severe burns. Pat's safe driving is a habit, too. His 27 years of truck driving without an accident are the equivalent of 150 years of driving by the average motorist.

National accident records prove . . .

Truck drivers are safe drivers!

Truck and bus drivers are safe drivers on the highways and streets. This is proved by the accident ratio (number of accidents per 100,000 vehicle miles) reported yearly in "Accident Facts," a publication of the National Safety Council. This ratio has *decreased* rapidly since the war—from 2.10 in 1946-47 to 1.32 in 1950-51 (latestest figures) for for-hire intercity trucks. And many fleets of intercity for-hire trucks have accident ratios under 1.0.

Safety is no accident! These professional drivers must pass the most rigorous safety training and physical examinations as well as a thoroughgoing course in highway courtesy. All of this pays off for *you*, with whom the trucks share not only the duty of supporting, but the privilege of using, America's highway network.

If you've got it, a truck brought it

American Trucking Industry

American Trucking Associations, Washington 6, D.C.

NEW PRODUCTS

Insect Screen of Glass

An insect screen woven of vinyl-coated Fiberglas yarns by Textile Products Division of Owens-Corning Fiberglas Corp., is being sold initially only to manufacturers of storm-screen window units. But, by next spring it will be available to home owners through hardware and other retail stores.

The outstanding feature of the new material is its ability to withstand weather. It had been subjected to intense arc light, fresh and salt water spray and immersion, exposure to fungi—all simulating many years of wear—and the company reports it emerged in serviceable condition. Even flame failed to cause any break or shrinkage in the material after it was heated to high temperatures. O-CF calls it the most significant development in screens in the last 10 years.

The Fiberglas screening is being produced in gray and green in standard meshes and widths. Color, which is dispersed through the yarn's vinyl coating, is permanent. The company claims it will not stain window sills or frames as a result of rain or humidity.

The weave of the screening is heat set to give a firm uniform mesh. The screening is said to show virtually no shrinkage or stretching under temperature extremes or excess moisture. It's easy to put on frames, easy to cut with a scissors without raveling.

• *Source: Owens-Corning Fiberglas Corp., Textile Products Division, 16 E. 56th St., New York 22, N. Y. Combination storm-screen units are manufactured by Lumite Division, Chicopee Mfg. Corp., 47 Worth St., N. Y., and Plastic Woven Products, Inc., 51 Camden St., Patterson 3, N. J.*

Speeding the Seedling

Next year, home gardeners may have their seed problems simplified by a new product that is said practically to guarantee healthy plants from seeds in a short time. Ferro Corp. is test marketing the product, called Plant-A-Bar, on a limited scale in its own area around Cleveland.

Plant-A-Bar is a combination of substances favorable to seed growth. It's pressed into 1-ft. lengths, sold six to a package.

The gardener inserts the bar into the soil. Seeds are placed in a cut-out trough in the bar, covered with powder made by crumbling some of the material. As the seeds sprout and grow, the Plant-A-Bar is absorbed into the soil. Results of the Cleveland test will

determine plans for the new product. • *Source: Ferro Corp., Harvard & E. 56th St., Cleveland 5, Ohio.*

NEW PRODUCTS BRIEFS

A repair kit for patching tears and holes in vinyl-plastic inflated toys, raincoats, wading pools, and baby pants is being introduced by Louve Ray Corp., 17 Lewis Wharf, Boston, Mass. A $1 kit contains stripes of vinyl patch material and two vials of fusing liquid.

•

A hacksaw, which can cut practically anywhere without the saw's frame getting in the way, is sold by Alpha Tool & Supply Co., Closter, N. J. It consists of a spring-loaded plunger with a pistol-grip handle and guide tube which supports a conventional 10-in. or 12-in. blade. Pressure is needed on the forward stroke only; the spring makes the return stroke automatic. Price is $4.25.

•

A mixture consistency recorder has been developed by Minneapolis-Honeywell Regulator Co. to insure light, soft, evenly textured bakery bread. The $1,200 machine enables the baker to change the formula or mixing time to compensate for flour variations without stopping the process.

•

A new water-base paint for exterior masonry surfaces is being sold by Benjamin Moore & Co., 509 Canal St., New York, N. Y. The paint is odorless, formulated without casein. It is said to dry quickly to form a hard, waterproof film which can withstand driving rains soon after application.

•

A new coating material, which looks like concrete, will bond tightly to wood, glass, metal, and old concrete. It's called Surco and is sold by Surface Coatings, Inc., 110 Pear St. S. E., Atlanta, Ga. Special latex-water emulsion binders are used as combining agents.

•

Rubber printing plates, said to wear several times longer than ordinary metal plates, are being made of Hycar rubber gum sheet stock produced by B. F. Goodrich. Hycar resists the effects of mineral-oil-based or aniline inks. The company says it cuts printing costs, eliminates variation in uniformity or intensity of ink.

•

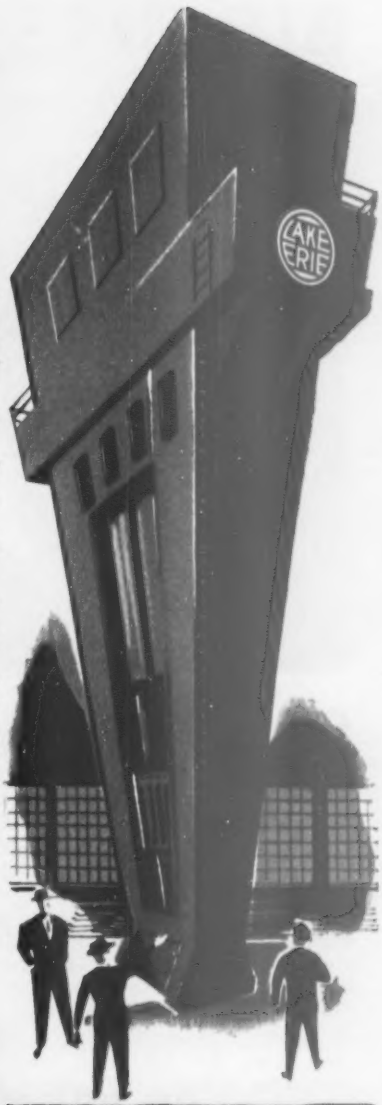
Executive mural: Golf has penetrated the wallpaper business. James Seeman Studios of 501 Madison Ave., New York, is introducing a wallpaper mural (11 ft. 8 in. long) based on California's scenic Pebble Beach course. Company says it's the first mural designed especially for executive offices.

Why is a visit to our plant so impressive?

Clients who call on us almost invariably become customers for Lake Erie Hydraulic Presses... repeat customers eventually. This includes the great names in industry as well as hundreds of smaller companies.

Naturally, we tried to put our finger on the reason:

Could it be the remarkable variety of presses we manufacture (3,500 designs in capacities from 5 to 22,000 tons)... the incredible know-how of our plant in economically building this wide-range of equipment... or could it be the obvious interest of our entire staff in customer problems and their solutions? It is probably a combination of these as well as other fundamental values that make the Lake Erie organization and Lake Erie equipment so appealing to our visitors. Won't you visit us to see for yourself? It will be a real pleasure to welcome you



BELOW: This 3000 ton Lake Erie Hydraulic Press was the first one developed in this country for cold steel extrusion. It represents still another field pioneered by Lake Erie. Such specially designed Lake Erie presses have been purchased by every plant utilizing hydraulic presses in this new process on a production basis.



LAKE ERIE
ENGINEERING CORP.
BUFFALO, N.Y. U.S.A.

LAKE ERIE ENGINEERING CORP.

MANUFACTURERS OF
HYDRAULIC PRESSES & SPECIAL MACHINERY

★

General Offices and Plant:

700 Woodward Ave., Buffalo 17, N.Y.

District Offices in NEW YORK, CHICAGO and DETROIT

Representatives in Other Principal Cities in the United States and Foreign Countries

Manufactured in Canada by Canada Iron Foundries Ltd.
LAKE ERIE ®

LAKE ERIE HYDRAULIC PRESSES *are available in any size... standard, modified and special designs—* horizontal and vertical types—for Metal Working—Plastics Molding—Forging—Metal Extrusion—Processing —Vulcanizing—Laminating—Stereotype Molding—Die Casting—Briquetting—Baling—Special Purpose.



←Red flag comes down, tricolor of German Republic goes up on Brandenburg Gate as revolt flares in the Soviet zone.

● Outburst, spontaneous and farflung, is put down by Red tanks and East German police.

● But the calm is ominous. Kremlin must decide whether to clamp on a lid of terror or seek to placate hungry and disgruntled workers.

● The puppet Grotewohl regime is likely to be a first victim of the uprisings in which . . .

East Germans Shatter Red Myth

Like an incendiary bomb from a high-flying plane, last week's revolt in East Berlin set hundreds of subsidiary fires burning throughout Soviet Germany. They were still flickering fitfully early this week. Dresden and Leipzig were strikebound; in Luckenwalde jeering Germans stoned Soviet security troops; factories near Halle and Merseburg were damaged, some are still smouldering. East Berlin seemed almost dead; the wet, acrid smell of burned-out buildings still hung in the air.

There's no doubt that Russian armor, plus the People's Police, can put the lid back on in East Germany. But the tension will be almost unbearable. Chances are the entire East German puppet government and Communist Party organization will be written off by the Soviets. Their war machine will be hurt by the loss of production in key East German factories. The Kremlin's new German policy of "peace and reconciliation" has taken a bad beating.

• **Worsening**—The situation poses a fearful dilemma to Soviet policymakers. Should they revert to a tough, Stalinist policy of terror and tyranny in East Germany? Or should they ease up on the East Germans, move fast to effect some kind of a four-power deal for German unification? Standing still is hardly possible now. Soviet control in East Germany, even in other satellites, is deteriorating to an extent unrealized by Western diplomats until last week.

What is worse from the Soviet point of view is that it all happened in the "show-window" satellite. The free world was able to watch—literally—from across the street in Berlin. No amount of propaganda smokescreening could hide the true story—probably the worst catastrophe to befall Soviet influence and policy since Hitler's invasion in 1941.

Moreover, the insurrection in East Germany may well represent the greatest failure of communism in its 100-year history. As an ideology, communism's great strength has been in the myth of the "workers' paradise," the good life for all under socialism. Though the picture was somewhat tattered, it has been strong enough to lure millions of votes in industrial Western Europe.

Berlin exploded the myth once and for all. The revolt came directly, and spontaneously, from the workers in whose name communism claims to rule. They had had enough. The Communist rulers in East Germany made the mistake of giving an inch—and the East Germans took a mile.

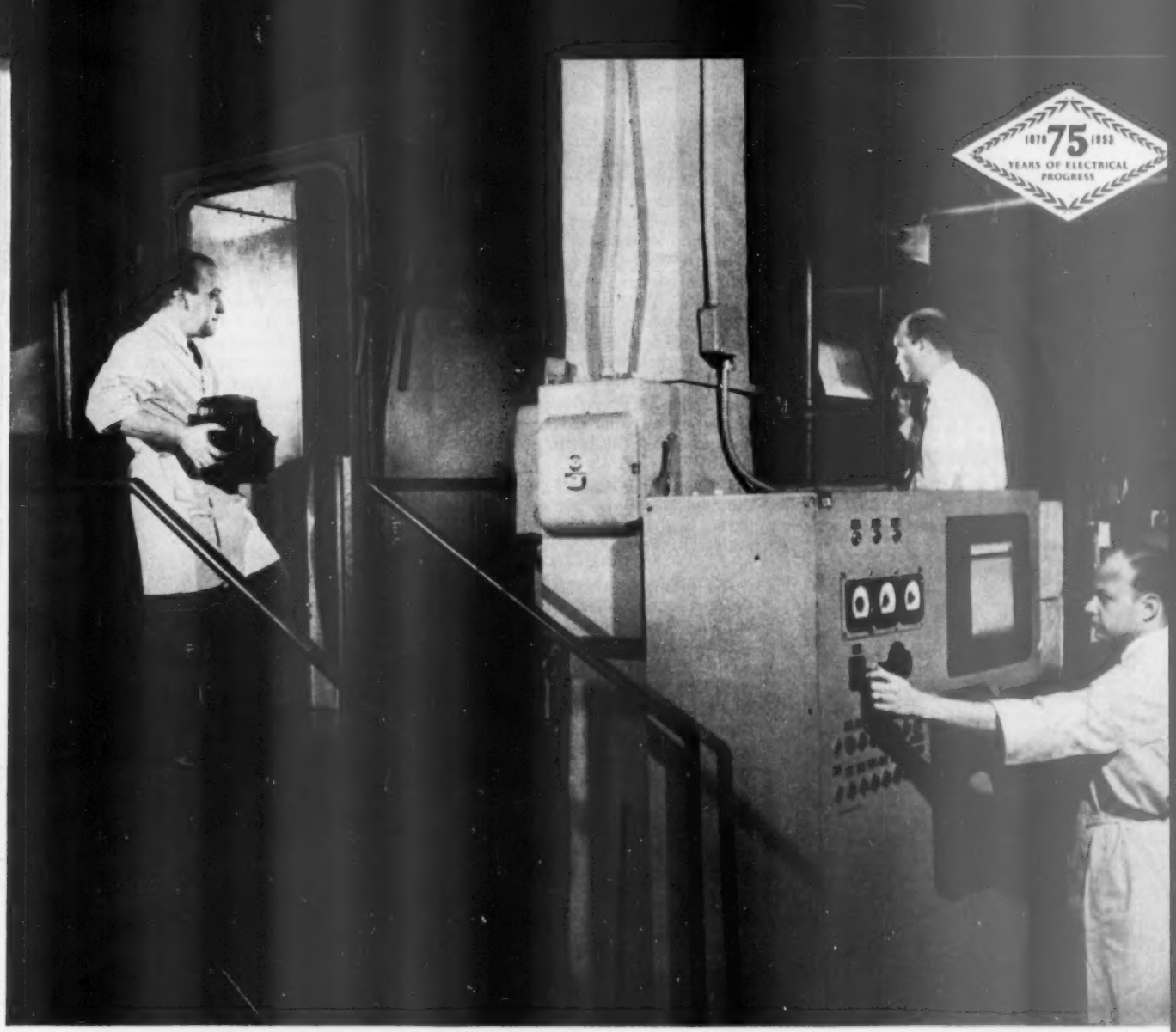
I. The Barricades

Eyewitnesses differ in their reports of what really sparked the Berlin uprising. On June 16, construction workers on the big Stalin Allee Housing Project took part in a peaceful protest against work speedups. One theory holds that the initial walkout was tolerated—possibly started—by the East German high command with an eye to impressing both East and West Germans with their liberality. Another maintains that no such demonstration is ever condoned in a Soviet state—the walkout was completely spontaneous, but the People's Police had orders not to intervene. The government apparently believed the demonstration would peter out and might serve, after all, as a valuable safety valve.

The next day, June 17, brought full-scale rioting—which quickly spread through the East zone of Germany. By then, underground labor and socialist party organizations were able to get into the act, bringing some coordination and a political tone to the affair.

It's interesting to note the varying character of the rebellion in East Berlin and other areas. In Berlin it had important political overtones—slogans like "free elections" and "unify Germany" got the big play, and violence as such was not a big factor. It looked more like a peaceful general strike; Berlin factories were not attacked or burned. Westerners noted that Russian troops behaved with great restraint, held their fire. The real brutalities in most cases were committed by East German police.

• **Underdogs**—Elsewhere, in the "Middle German" area of Saxony-Anhalt, the rebellion looked more like a genuine uprising of "direct action." City halls



By testing motors "twenty miles up"— G.E. gives you more for your motor dollar

This is an altitude chamber in General Electric's Specialty Motor plant, Fort Wayne, Indiana. Capable of simulating conditions at better than 100,000 feet above sea level, it enables G-E engineers to develop better fractional-horsepower aircraft motors . . . to study problems of high altitude operation.

Similar tests are made for heat, cold, vibration, acceleration, etc., each resulting in improved engineering "know-how"—the "know-how" that helps build a high quality fhp motor for you.

Whenever you need motors remember General Electric's reputation for quality and completeness of line . . . from the small 1/500 hp to the huge 65,000 hp industrial giants.

For complete information on G-E fhp specialty motors, G-E standard fhp motors or G-E Tri-Clad* motors, contact your nearby G-E Apparatus Sales Office or Authorized G-E Distributor. General Electric Company, Schenectady 5, N. Y. 647-5

*Reg. Trade-mark General Electric Co.

You can put your confidence in—

GENERAL ELECTRIC

When you think of money at work



In 1952, automatic washers outsold conventional washing machines for the first time. Consumer financing helped the industry sell these higher priced washers—from 65% to 70% of all automatic washers were bought on time. So, in this industry, consumer financing made *two* contributions. It increased volume for manufacturers and dealers by stepping up unit sales . . . and brought greater convenience into American homes.

Throughout the Pittsburgh market, Peoples First National plays a vital part in consumer credit. In fact, Peoples Time Plan helped 56,465 people buy washing machines and other consumer purchases last year.

But the home washer industry is only one of the many major manufacturing groups that benefit when we put money to work. For nearly 90 years, Peoples First has extended financial assistance to companies and individuals in many fields—throughout the nation. We invite you, too, to take advantage of our complete banking facilities.

PEOPLES FIRST NATIONAL
BANK & TRUST COMPANY
Pittsburgh 30, Pa.
Member Federal Deposit Insurance Corporation

were stormed, police and government functionaries knifed, even Soviet soldiers were manhandled. One reason is that German workers in that area are the underdogs, their wages are 25% or so below the average. They have been short of food for months.

In the industrial complex around Halle, Merseburg, and Bittersfeld, soft coal and chemical installations were seriously damaged. At the huge Soviet-controlled Lenin Works, the former I. G. Farben synthetic gasoline and dye plant, 18,000 workers ran amuck. The famous Buna synthetic rubber plant was hit, too. Reports early this week said that the Lenin plant was still afire.

• **Uranium**—Even more worrisome to the Soviets was violence on the part of slave laborers in Saxony's uranium mines. Refugees say mutiny and sabotage were still in the air this week.

It's estimated that perhaps 75% of the entire East German industrial labor force—more than 1-million workers—took part in the rebellion. Though many of them have trickled back to work now, many major industrial plants won't get over the revolt for a long time. Sabotage has been widespread; workers let many blast furnaces go out completely in the steel mills.

Hardest hit by far are the many Soviet-owned plants in East Germany. About 30% of the key factories there have been expropriated and are run as Russian operations.

II. The Pay-Off

Since 1945, the Soviet Union has milked East Germany of some $12-billion—an average of about $1.5-billion yearly, 20% of the East German national income. Living standards and wages dropped lower and lower.

Hunger, on top of constantly increasing work norms, helped spark last week's events. Last summer the Communists pushed collectivization of agriculture hard; the farmers balked, and the result was a sharp drop in food production. Thousands on thousands of farmers have fled through the East Berlin gateway this winter and spring, while many industrial towns have gone without bread, vegetables, and meat for as long as three or four days at a clip. Now it looks certain that the present rebellion will make food shorter than ever, raise the possibility of a severe famine.

Political oppression—persecution of merchants, clergymen, schoolteachers—over the past seven years brought many East Germans to the point of revolt. Over-all, the bumbling ineptness of the Soviet puppet government under Prime Minister Otto Grotewohl has made it the most ridiculed, as well as the most hated, regime in the satellite lineup.

• **Easing Off**—This spring, Moscow tried to tone down the communization of East Germany. Under the new Soviet High Commissioner Semyenov, concessions were made to churchmen, farmers, and small business as recently as week before last. But they came too little and too late. Or they may have led many East Germans to think the time was ripe to buck for major concessions.

Despite their tremendous secret police apparatus, East Germany's bosses seemed totally unprepared for the rebellion. They even seemed ignorant of the extent of the workers' underground that brought so much coordination to the uprising. This week, the East German government was trying to cover its chagrin by blaming the whole thing on "Western parachutists" and "saboteurs."

III. The Concessions

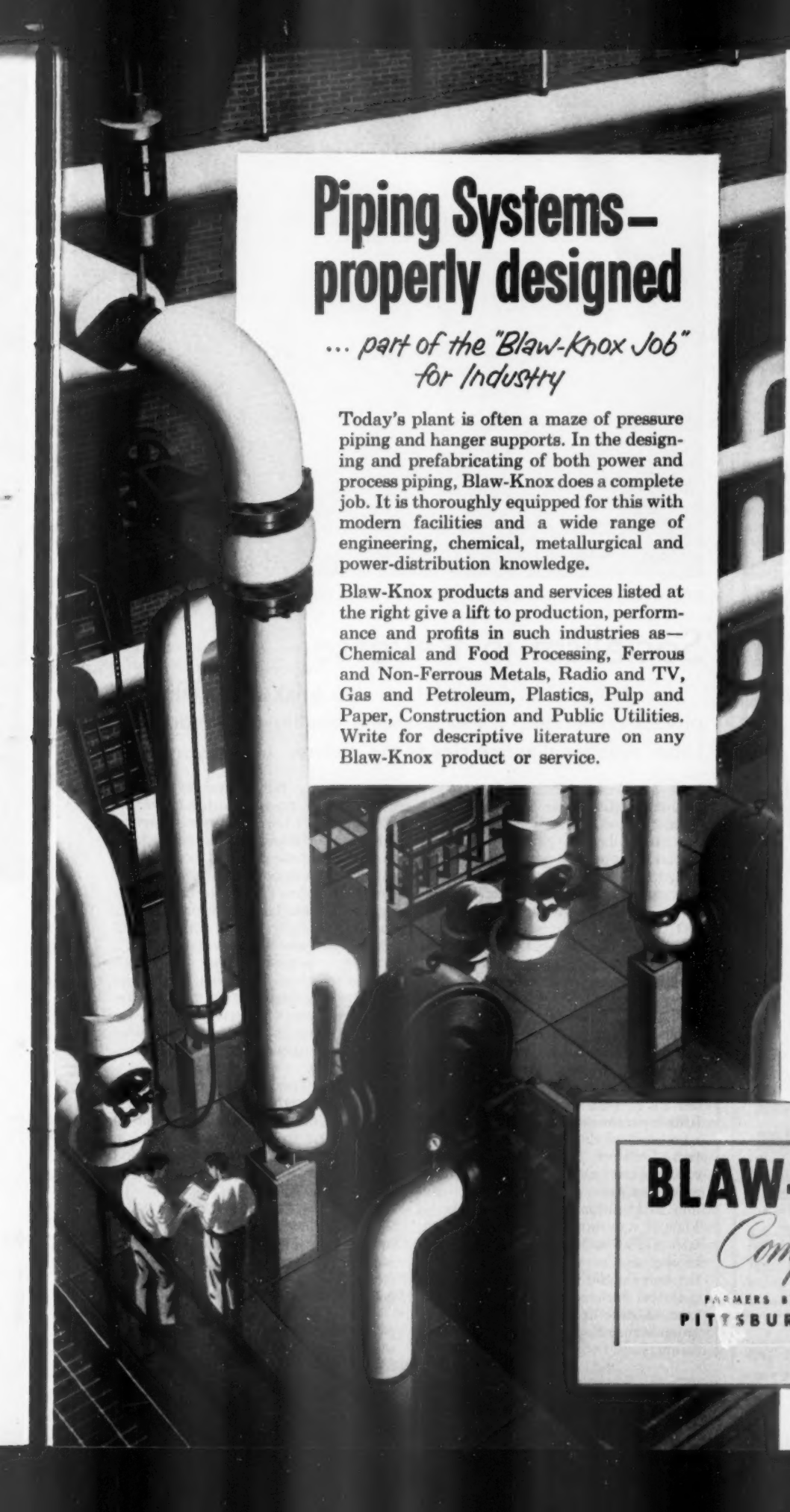
The Soviet reaction—martial law, arrests, and executions—came as a surprise to no one. The Russians can be counted on to take any and all measures necessary to stamp out the revolt, try to capture the ringleaders.

However, Communists have already begun to mix terror with sweeping concessions to the workers. In an announcement this week that verged on hysteria, the East German government promised to drop the speedup and increase wages; eliminate electric power cuts to workers' homes; supply cheaper transportation, better clothes and shoes; increase pension and security benefits, and so on.

Politically, it looks as if the East German government and the cadres of the Communist organization, as presently set up, will be liquidated. Tens of thousands of party men participated in the rebellion. That, in Russian eyes, pretty well limits the usefulness of the party machine from here on. As for Grotewohl and his colleagues, they may well be fired soon.

That could mean the end of the puppet Socialist Unity Party in East Germany. Soviet High Commissioner Semyenov has been conferring at length with the East Zone wing of the Christian Democratic party; speculation is that a non-Communist but pliable Christian Democrat leader may be installed by the Russians. That would help appease the East Germans, perhaps influence West Germans, too. Apparently Russians still hope to work out some kind of four-power deal in Germany.

The only alternative is to install a new, and tougher, reign of terror. That won't be easy, as the past week's events have proved. The German worker has lost his air of helpless resignation and knows now that he can fight back. Moreover, in other satellites, especially Czechoslovakia (BW—Jun.13'53, p154), unrest is mounting fast.



Piping Systems—properly designed

... part of the "Blaw-Knox Job" for Industry

Today's plant is often a maze of pressure piping and hanger supports. In the designing and prefabricating of both power and process piping, Blaw-Knox does a complete job. It is thoroughly equipped for this with modern facilities and a wide range of engineering, chemical, metallurgical and power-distribution knowledge.

Blaw-Knox products and services listed at the right give a lift to production, performance and profits in such industries as—Chemical and Food Processing, Ferrous and Non-Ferrous Metals, Radio and TV, Gas and Petroleum, Plastics, Pulp and Paper, Construction and Public Utilities. Write for descriptive literature on any Blaw-Knox product or service.

MEMBERS OF THE BLAW-KNOX "FAMILY" AND SOME OF THEIR PRODUCTS

Blaw-Knox Equipment Division
Blawnox, Pa.
- Concrete Road Paving Machinery
- Clamshell Buckets
- Contractors Equipment
- Gas Cleaning Equipment
- Open Steel Flooring
- Radio, TV and Transmission Towers
- Steel Forms for Concrete Construction
- Chemical and Process Equipment
- Water Cooled Equipment for High Temperature Furnaces

Buffalo Equipment Division
Buffalo 11, New York and Mora, Minn.
- Machinery for the Chemical and Food Processing Industries
- Specialized Machinery for the Dairy Industry

Chemical Plants Division
Pittsburgh 30, Pa.
- Complete Chemical, Petrochemical, Industrial and Petroleum Plants

Foote Construction Equipment Division
Nunda, New York
- Black Top Road Pavers
- Concrete Road Pavers

Lewis Machinery Division
Groveton, Pa.
- Rolling Mills and Auxiliary Machinery for Rolling Ferrous and Non-Ferrous Metals

National Alloy Division
Blawnox, Pa.
- Alloy Steel Castings for Extreme Temperatures, Abrasion and Corrosion Resistance

Power Piping and Sprinkler Division
Pittsburgh 33, Pa.
- Prefabricated Piping Systems for High Pressures and Temperatures. Pipe Hangers
- Automatic Sprinkler Systems for Fire Protection

Rolls Division
(Pittsburgh and Lewis Rolls)
Pittsburgh 1, Pa.
- Rolls for Steel and Non-Ferrous Rolling Mills

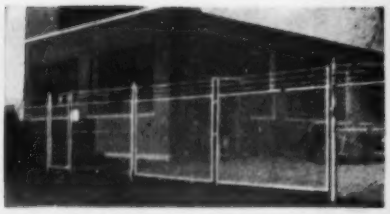
Union Steel Castings Division
Pittsburgh 1, Pa.
- Heavy Steel Castings

BRANCH OFFICES:

Birmingham 3, Alabama
Chicago 3, Illinois
Philadelphia 3, Pennsylvania
New York 17, New York
San Francisco 5, California
Washington 5, D. C.
Tulsa 1, Oklahoma
Export—New York 17, New York

© 1953 Blaw-Knox Co.

BLAW-KNOX
Company
FARMERS BANK BUILDING
PITTSBURGH 22, PA.



First line of Protection against TRESPASSERS and TROUBLEMAKERS

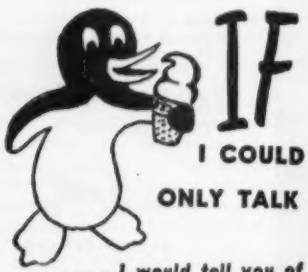
Anchor Fence protects your plant *completely, day and night!* Trespassers, thieves and other trouble-makers *can't* get in! Anchor lets you make full use of outdoor storage space . . . helps you control traffic more efficiently!

And, Anchor gives you *long-lasting* protection. Deep-driven Anchors hold the fence erect, in any soil or weather. "Squar-Form" corner posts and square frame gates are other exclusive features that make Anchor Fence your best buy!

For Free Catalog, write: ANCHOR POST PRODUCTS, INC., *Fence Division*, 6966 Eastern Ave., Baltimore 24, Md.

Anchor Fence

Division of ANCHOR POST PRODUCTS, Inc.



IF I COULD ONLY TALK

. . . I would tell you of the tremendous profits Dari-Delite operators are making.

$6,000-$10,000

and more per season in soft ice cream drive-ins. Investigate now. Some city, county and state franchises available. Write for full information.

Dari-Delite

1524 Fourth Ave., Rock Island, Ill.
Dept. M53

ATTENTION - BOARDS OF DIRECTORS

Are you seeking a capable
PRESIDENT
EXECUTIVE VICE PRESIDENT
VICE PRESIDENT—OPERATIONS

Aggressive, young, capable executive with good business acumen and judgment, management skill and enviable sales and operating record, desires position with greater challenge. Salary and improvement bonus desired. Family background—Protestant. Relocate anywhere.

Write PW-8286 Business Week
68 Post St., San Francisco 4, Calif.

See Clues on page 166



PRIVATE OWNERS will soon hold the modern Abbey Works of the Steel Co. of Wales.

Socialism in Reverse

British steel industry is on the brink of reverting to private ownership. It's in bouncing health; only fear of a Labor renationalization clouds the picture.

Four years ago, Britain's Labor government nationalized iron and steel. Many Britons, as well as millions of American kibitzers, glumly proclaimed the end of the once-proud British steel industry. It would be sapped by the bureaucratic virus, they said, demoralized and destroyed.

This week, the stage is set for denationalization. But instead of a wreck, British private enterprise is getting back an industry that is stronger than ever.

• **Helpful Threat**—You can't say that public ownership did the trick. Rather it was the threat of intervention by the government owners, and the hope of ultimate liberation by the Conservative Party, that acted as a challenge to British steelmakers—both management men and workers. A fighting spirit took hold of the industry. It was reflected in more modernization, a quick expansion of output from 15-million to 18-million long tons yearly (in May, it was running at a peak annual rate of 18.2-million tons), and a spectacular rise in productivity. Proof of the latter is the fact that the Schuman coal-steel authority has just asked Britain to raise its steel prices—on the grounds that European steel mills can't compete.

Structurally, the industry is much as it was four years ago; denationalization of itself raises few problems of organization. Nationalization didn't have time to become much more than a paper transaction. The Labor Party chose the indirect route to state ownership, left managements virtually intact, and gave the government iron and steel corporation only the general powers of a holding company. One reason advanced for Labor's action was that the industry was fairly strong and, on the whole, well-run: The party leaders, for all their socialism, wanted to be able to point to a successful business operation.

• **Mergers**—The government steel corporation, though, was inevitably gaining strong influence through its control of the purse strings. If nationalization had lasted, the company soon would have begun to enforce mergers and sweeping reorganizations.

When the Conservatives took office in 1951, they decreed an immediate halt to reorganization plans. Then, last month, Parliament passed an iron and steel act repealing nationalization altogether.

The act orders that, on the "appointed day," not yet fixed, state ownership of steel will end:

• The Iron & Steel Corp. of Great Britain, owning and supervising the industry's 300 companies, will be liquidated.

• Its assets will be transferred to the Iron & Steel Holding & Realization Agency, which will sell stock to private owners on behalf of the Treasury as market conditions permit.

• An Iron & Steel Board, with industry, labor, and consumer members, will take over supervision of the industry—in matters of expansion, raw material supply, prices, research, and labor relations (excluding wages and working conditions). The board is asked to assure "efficient, economic, and adequate supply of iron and steel products under competitive conditions."

The board's powers mean that denationalized British steel won't be completely free of public control—nowhere near so free as its U.S. counterpart. British steel managers are used to it, however. They've had some kind of public supervision ever since the 1930s, when a permanent board was set up to balance the growing power of the industry's own Iron & Steel Federation. The new board is very similar in composition with the one that resigned at the time of nationalization, though its powers are wider.

• **Impartial**—Steel men, by and large, aren't afraid; they found the previous supervisory body useful, usually helpful as an impartial link with the government and also as a shield against political attacks.

The board has three members from the trade union leadership, who have been roundly attacked for accepting the posts. All but one stuck it out, and even that one was replaced by another unionist.

The attitude of Britain's iron and steelworkers has been one of the most interesting, perhaps "most British," aspects of nationalization. While the rank and file have always voted for public ownership in their private politics, none wanted to see changes in his own company. Labor frequently sided with management in opposing government efforts to intervene in a particular steel company's affairs.

When nationalization became law, there were no worker demonstrations, no rash of new wage and working condition demands. Now, as denationalization approaches, there is no hostility. Neither the bosses nor the unions worry that the coming return of private shareholders will upset labor peace.

• **Politics**—What they do worry about is the Labor Party's threat to renationalize. Last week, the party's brain trust released a new political manifesto. It hammers away hard on nationalization—and renationalization—as a keystone of Labor policy.

Londoners, however, aren't letting that threat blight their plans; investment opinion in The City is that the extra risk can be covered by adding an extra 1% yield in fixing the offer price of steel shares.

The job of reshuffling the industry financially is being tackled by the Iron & Steel Holding & Realization Agency, recently appointed by the Treasury. Headed by Sir John Morison, an accountant and wartime finance director for the Ministry of Supply, the agency has been carrying on delicate proceedings with the 300 companies on the questions of valuation and capital needs.

It has been talking with investment banks, trusts, insurance companies, and the big pension funds on the matter of placing the stock issues. Observers report that the first issues will probably be taken up smoothly.

The total amount involved is around £300-million—which is approximately £50-million more than the initial compensation paid at the time of nationalization. Before the year is out the Holding Agency is expected to offer shares of perhaps eight first-class steel companies, valued at $100-million or more. Likely candidates include Dorman, Long & Co. Ltd., Colvilles, Ltd., Stewarts & Lloyds, Ltd., United Steel Companies Ltd., John Summers & Sons Ltd., South Durham Steel & Iron Co. Ltd., Whitehead Iron & Steel Co., Ltd., and English Steel Corp. Ltd.

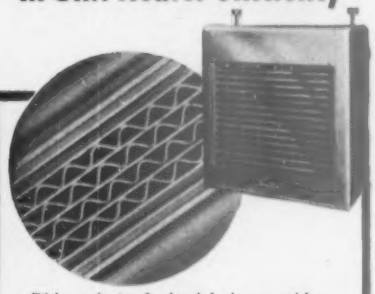
• **What Price?**—Prices of the new shares are already subject to a hot controversy. The stocks were taken over at a time when British blue-chip equities yielded an average of 4½%, and steel stocks yielded 5½%. Today yields on the better-grade stocks are around 5½%, and the suggested level for the steel shares averages 6½%, with a spread from 6¼% to 8%. Londoners expect the steel companies to promise fatter dividends; earnings have been generally high, though additional capital is needed for the present industry expansion.

The sale of steel stocks won't require new capital in real terms; that's because the stocks will supersede the government's steel bonds issued as compensation at the time of nationalization. The Treasury is expected to offer to take the bonds in payment for stock which would give the original owners a form of preference. A big problem is that the bonds are now widely held—and it may be difficult to make conversion attractive. With the ogre of renationalization lurking darkly on the horizon, some investors may prefer to hang onto their bonds.

Problems like that, and, of course, the tone of the stock market, may cause some delay. But Britons are certain that a big slice of their steel industry will be liberated this year.

CAREFUL COMPARISON ASSURES BETTER HEATING

Ribbon Burners make a BIG DIFFERENCE in Unit Heater efficiency



This exclusive Janitrol design provides clean, quiet, and uniform combustion. Its greater efficiency makes for extreme compactness which in turn adds to efficient performance and operating economy.

Ask your local Janitrol dealer to show you *all* of Janitrol's advanced design features. He is listed under Unit Heaters in the yellow pages of your phone book.

®Janitrol
GAS-FIRED UNIT HEATERS
SURFACE COMBUSTION CORPORATION
Toledo 1, Ohio



GOES PLACES IN NARROW SPACES

Revolvator Go-Getter Powered Hand Truck permits maximum use of storage or productive areas. The compact model shown above is a Hi-Straddle Lift with fingertip control—fully automatic 200° turning arc—slight operator training. Let us know your problem and we'll help you solve it.

Write
REVOLVATOR CO.
8711 Tonnele Avenue, North Bergen, N. J.



IMPORTS from various countries, now selling in the Midwest, were on display at the Omaha World Trade Fair and Institute.











NEBRASKANS were fascinated by displays of goods from eight foreign lands. Rugs and vases, pottery from Britain, clothing from Israel, motor scooters from Italy, sewing machines from West Germany, all helped draw the 20,000 who saw the fair.



EXPORTS from Nebraska, principally foods, were also shown at fair as . . .

Omaha Meets the World

Historically, the three coasts—Atlantic, Pacific, and Gulf—have been the only U.S. areas with much of an interest in foreign trade. Now the Midwest seems to be looking in. One indication is the Omaha World Trade Fair and Institute that closed last week after six days of exhibitions by local and foreign firms. Its purpose was to promote two-way trade under the slogan "Trade, Not Aid."

The fair wasn't a complete success: Only 20,000 visitors showed up instead of the 50,000 its sponsors expected. One reason for the poor attendance was probably the hot, humid, rainy weather that made a back porch more inviting than Omaha University's sweltering fieldhouse; another, the traditional American lack of interest in trade fairs, wherever they are and whatever the weather.

• **Satisfied**—But the Omaha Junior Chamber of Commerce, which originated and ran the fair, and its co-sponsors—the senior chamber and the University of Omaha—don't think it was a failure. And they plan to make it an annual event (Omaha's only other international fair in 1950 was set up by the senior chamber as a one-shot affair). They feel the fair acquainted at least some consumers with foreign goods, that newspaper publicity made even people who didn't come more aware of the importance of foreign trade.

That was the main purpose of the fair. Alvin Nobb, partner in an Omaha paper concern and one of the fair's originators as head of the Junior Chamber of Commerce's Trade Promotion Committee, says they weren't out for sales but merely to educate Nebraskans to the idea of two-way trade.

• **Food Surplus**—Omaha's exports have been increasing greatly: $3-million in 1947, $35-million in 1952. Most of the exports are in meat and dairy products, which are almost always in heavy surplus and which must be exported if production is to be kept up.

There are no figures on foreign goods imported into the area, but there is no doubt that imports have failed by a big margin to keep up with exports. That's one of the big reasons behind the fair. Its sponsors feel that Omaha (and the rest of the U.S.) must import more if it wants to sell more. In line with this, the exhibits were of two kinds: Nebraska firms showed what they have to export; eight foreign countries and local distributors exhibited imported goods available in the area.

The foreign exhibitors figure that the fair served a good purpose from their angle despite the fact that attendance was small and no sales were allowed. They go along with Remy Schuster, West German commercial attache at Chicago, who says his toughest job is getting Midwest and Central U.S. consumers interested in foreign goods. He thinks fairs such as Omaha's do a lot to dispel prejudices against goods with foreign labels.



Roll-Easy
Colson CASTERS
Save You Money
4 Ways

1 Save man-hours by moving materials faster, more easily.

2 Pay big dividends in reduced maintenance trouble and expense, because Colson casters are engineered and built by craftsmen—for years of trouble-free service.

3 Prevent breakage of fragile products by smooth handling over all floor surfaces.

4 Put an end to floor damage because the load-floating, roll-easy movement of Colson casters won't scratch or mar your floors.

Whether you're interested in one set of smooth quiet casters or a fleet of new trucks, Colson engineers can help you select or design equipment that will answer your materials-handling problem—exactly. Write us, or consult the yellow pages of your phone book (under "Casters" or "Trucks: Industrial") for the nearest Colson office.

THE COLSON CORPORATION
ELYRIA, OHIO

Please send free 68 page catalog —"Colson Casters"

Name_____
Position_____
Company_____
Street_____
City_____ Zone_____ State_____

THE COLSON CORPORATION
ELYRIA, OHIO

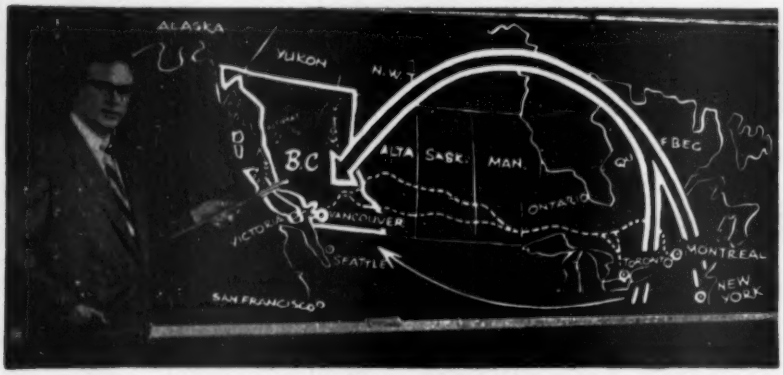


EVERY DAY

More and More...

BUSINESS IS MOVING TO B. C.

The westward migration of industry has swept through British Columbia like a fire in one of her fabulous forests. Investment capital in breath-catching amounts is being attracted here by a treasure-store of natural resources rich enough for an empire. Spectacular developments in aluminum, pulp and paper, metals, oil and gas make the headlines, but there's a profitable future for secondary industries too.



British Columbia is Canada's fastest-growing area (population up 42% in the last 10-year census period). British Columbia's established businesses are expanding, but there's a welcome . . . and a mushrooming market . . . for new ones of many types. 143 new industrial customers signed up with B. C. Electric for low-cost hydro power last year.



Just one of a score of major developments, the 718-mile, $92,000,000 oil pipe line from Alberta to B. C. will be finished this year, bringing with it a multi-million dollar refining expansion program.

There's Business for YOU in BRITISH COLUMBIA

For information on B. C.'s industrial potential, write B. C. Electric Co. Ltd., 425 Carrall St., Vancouver 4, B.C.

B.C. Electric

ABUNDANT CHEAP HYDRO POWER ON PACIFIC TIDEWATER



BUSINESS ABROAD BRIEFS

A breakup of the coal properties of Vereinigte Stahlwerke, once the biggest German coal-steel trust, has been decreed by the Western Allies. Eight new companies will take over mines producing 21-million tons yearly, nearly 18% of total Ruhr production. The combine has already been shorn of its steel mills under Allied decartelization rules.

•

Drug business: Charles Pfizer & Co., Inc., Brooklyn antibiotic drug maker, will distribute and process steroid hormones (cortisone is one) under a deal with Syntex S. A., Mexico City. . . . A bill passed by the Philippine congress may trip up U. S. drug companies operating in the islands. The bill insists that owners of firms dispensing or selling drugs and chemicals be Filipinos. U. S. outfits contemplating expansion or branch plants there hope the bill will be amended or vetoed.

•

Exports to Latin America fell off during the first quarter of the year—well below the 1952 monthly average of $290-million. Traders blame lower prices, also the dollar dearth in key markets like Brazil. Imports, meanwhile, are above 1952 levels.

•

Copper and cobalt—more than $22.4-million worth—will come to the U. S. under a loan agreement with a northern Rhodesia power company. The Export-Import Bank loaned the power company that sum for expansion; with the new electrical supplies four mining companies will expand output. The power company will repay the loan, plus interest, in metal for the Defense Materials Procurement Agency.

•

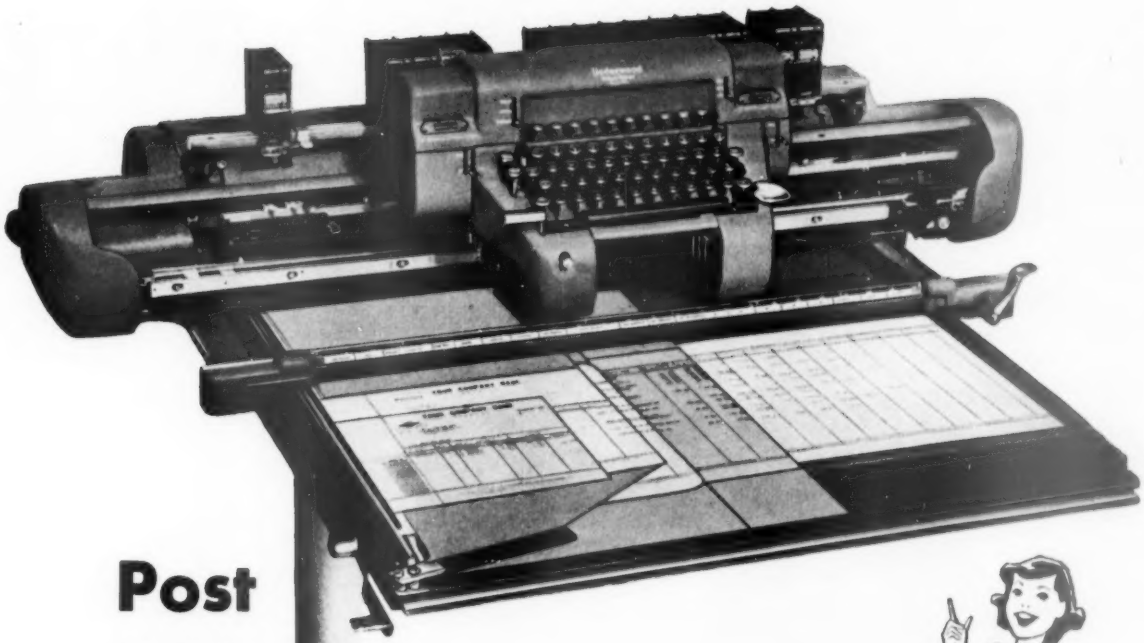
West Virginia Pulp & Paper Co. got a paperboard mill in Brazil, about 40 mi. west of Sao Paulo, by purchasing 100% of the outstanding stock of Ribeiro-Gerin, S. A., a Brazilian firm.

•

Guatemala hired Westinghouse Electric Corp. to make a survey for a proposed $5-million hydroelectric project on Guatemala's Pacific coastal slope.

•

Come to Lancashire! That's what Sir Alfred Shennan, chairman of the Lancashire-Merseyside Industrial Development Assn., is telling U. S. businessmen. He arrived last week for a three-week tour to advertise the area's advantages. Some of them: Lancashire is in the center of England, has good port facilities (Liverpool), and has an A-1 rating in the British Board of Trade's industrial development plans.



Post ALL your related records at ONE typing!



If you are looking for *one* machine on which you can post *all* applications . . . and post them *fast* . . . look no further!

The Underwood Elliott Fisher is that versatile all-purpose accounting machine!

On its Flat Writing Surface you can insert forms as easily as placing papers on your desk . . . regardless of the style, size or arrangement of the forms you use.

Your operators post on a completely electrified Single Typing Keyboard, by the easy "touch" method. Only 10 numeral keys handle all figure work. Balances and column totals . . . as many as 30 . . . are computed automatically.

Carbon papers are no problem, either . . . because the Roll Carbon Paper feature *completely* eliminates handling loose sheets.

Let us demonstrate just how *many* advantages the Underwood Elliott Fisher Electric Accounting Machine has for *you*. Without obligation . . . and on your *individual* problems . . . you can see for yourself how fast, easily and accurately it will do your work . . . right down to the last detail.

Underwood Corporation
Accounting Machines . . . Adding Machines . . .
Typewriters . . . Carbon Paper . . . Ribbons
One Park Avenue, New York 16, N. Y.
Underwood Limited, Toronto 1, Canada
Sales and Service Everywhere

SEND THE COUPON BELOW

Underwood Corporation, One Park Avenue, New York 16, N. Y.
Please send me illustrated literature and full information about the Underwood Elliott Fisher Accounting Machine.
UW-6-27-53

Name_____

Name of Company_____

Street Address_____

City_____ Zone_____ State_____



fine steel has specialists, too

Sensitive handling; careful compounding to an exact "prescription" — these are some of the factors that make the difference between every day steel — and the *special* steels that set Crucible apart.

For instance — Crucible special magnetic alloys are used in instruments sensitive enough to pick up a fly's footstep; Crucible precision castings for jet engine parts are accurate within thousandths of an inch, and Crucible clock spring steels are specially made for split-second operation.

The range of Crucible special purpose steels is daily increasing to meet industry's ever-demanding needs. If you have a requirement that a special steel can fill . . . call on Crucible.

CRUCIBLE first name in special purpose steels

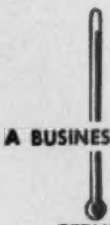
52 years of Fine steelmaking

CRUCIBLE STEEL COMPANY OF AMERICA, GENERAL SALES OFFICES, OLIVER BUILDING, PITTSBURGH, PA.

MIDLAND WORKS, MIDLAND, PA. • SPAULDING WORKS, HARRISON, N. J. • PARK WORKS, PITTSBURGH, PA. • SPRING WORKS, PITTSBURGH, PA.
SANDERSON-HALCOMB WORKS, SYRACUSE, N. Y. • TRENT TUBE COMPANY, EAST TROY, WISCONSIN • NATIONAL DRAWN WORKS, EAST LIVERPOOL, OHIO

INTERNATIONAL OUTLOOK

BUSINESS WEEK
JUNE 27, 1953



The world waited this week for the inevitable showdown between President Eisenhower and Syngman Rhee.

Unless Eisenhower can prevail, the U. S. will have its hands tied in Korea. We could easily be faced with the stark choice of fighting on or pulling out.

Either course would raise a political rumpus here at home. What's more, **either would shake the United Nations to its foundations.**

•

The Eisenhower-Rhee showdown may not come, though, until after a truce is signed. Gen. Mark Clark can sign for the U. N. without Rhee's approval.

So it's possible the U. S. will tell the Chinese Reds that we will accept full responsibility for carrying out the truce. Perhaps this is why U. S. reinforcements have been sent from Japan to Korea.

If the Reds sign on these terms, Rhee undoubtedly will still object to the truce. But that wouldn't be the decisive test. It would come when Gen. Clark ordered all U. N. forces to draw back to the armistice line.

If the ROK army, on Rhee's orders, refused to do this, then almost anything could happen.

•

If Washington is nervous about Korea, **there's some comfort in the fact that Moscow must have a worse case of jitters over** what's happened in East Germany (page 118).

The popular revolt there has destroyed the strategic and economic value East Germany has had for Moscow. Also, it has exposed the weakness of the whole Soviet position in Eastern Europe. And sooner or later that's bound to have domestic repercussions in Russia.

•

Whether or not the Russians decide to withdraw from East Germany (page 27), they face a terrible problem in the other satellites.

To be sure of holding countries like Poland and Czechoslovakia, they may have to turn them into military provinces. And that would call for an increase in Soviet defense expenditures.

But if defense spending goes up, how is the Malenkov regime to fulfill its promises of more consumer goods for the Russian people?

•

There's no doubt that the new Soviet regime has been trying to give the Russian worker a better break. Probably this had to be done to prevent real unrest inside Russia.

First there was the **criminal amnesty.** This freed a lot of workers accused of violating Soviet labor discipline.

Then there were substantial **price cuts** in the spring. What's more, there has been no forced loan from the workers so far this year. Usually that comes right after a spring price cut, washing out the cut for the average worker.

Probably the new regime's first budget, which hasn't been announced yet, will give a clue to what's ahead for the Russian economy.

•

British auto makers have been doing nicely this spring. May production was the best ever: 50,600 cars, 20,000 trucks and buses.

Auto exports **topped 30,000 for the first time** this year, and dollar

sales were strong. Canada took 5,700 cars, making it the largest single export market for May. The U. S. took 3,000 during the month.

As frosting for the cake, Britons walked off with the annual Le Mans endurance race (the world series of sports cars) earlier this month. British-driven Jaguars placed one, two, and four.

•

Aluminum trading has been put on a civilian basis in Britain (page 122). It's the latest commodity to be returned by the Conservatives from government trading to the private marketplace.

July 1 will mark the beginning of private dealing in the metal. Come August, **the copper market will be freed. That will leave only** sulfur, pyrites, jute, tungsten, magnesium, and hemp **under the Ministry of Materials.**

•

More and more Europeans want to expand East-West trade to cure their economic ills. But some Britons are beginning to doubt the size of Eastern markets.

This week the General Council of the Trades Union Congress warned that Communist strategic embargoes, noncompetitive prices, lack of exportable goods, and the drive for self-sufficiency suggest that **the Soviet bloc may become less and less of a market for Britain.**

It's the TUC's General Assembly, remember, that's been plugging for increased Iron Curtain trade.

Meanwhile, the London Economist added its caveat: "To the Communists trade has become a political weapon, to be wielded ruthlessly and without warning."

•

If you do business in Brazil or Colombia, it's worthwhile taking note of recent government changes in Rio and Bogota.

The news from Colombia seems all to the good. Though General—now President—Rojas Pinilla broke with the Colombian army tradition of staying out of politics, his peaceful coup last week may bring new stability to a country wracked by bitterness and bloodshed.

What the Rojas takeover accomplished was the elimination of the extreme right wing of the Conservative party. It had threatened to clamp on a vicious dictatorship. That could have brought all-out civil war.

Businessmen in Bogota are pleased—and optimistic. The stock market is up; so are retail sales. The outlook for private foreign investors, say Colombians, is better than ever.

•

U. S. business is keeping its fingers crossed on President Vargas' cabinet shuffle in Brazil—especially on the replacement of Finance Minister Lafer by Oswaldo Aranha.

There's hope in Rio that Aranha can somehow repair Brazil's ailing economy. He has personal political prestige, is regarded as a sound economist and friendly to the U. S.

Aranha will try to brake Brazilian inflation, husband foreign exchange by limiting imports. **He's also promised to try for a better deal for foreign investors,** perhaps even open Brazilian oil for development. But it's too soon to tell how far he can get.

A lot depends on how much freedom Aranha gets from the aging—and vacillating—Vargas.

Contents copyrighted under the general copyright on the June 27, 1953, issue—Business Week, 330 W. 42nd St., New York, N. Y.

what type of heating except

ihp*

SAVES MATERIALS

NEARLY 1,500,000 POUNDS OF MANGANESE AND MORE THAN 300,000 POUNDS OF MOLYBDENUM WERE SAVED

. . . in five years by this Selas pipe treating installation. No previous heat treating practice provided continuous quenching and drawing . . . no other production method fully developed the physical properties of plain carbon steel pipe . . . no other process permitted a substitution for the normalized, high alloy steel formerly used to meet specifications.

Two things made such a substitution possible . . . first, new concepts of heating and quenching; and second, new furnace designs which made such concepts workable and practical. Combined, Selas engineering and equipment for this and other Gradiation processes provide *Improved Heat Processing,* a symbol of Selas progress in furnishing heat for industrial purposes.

To the savings in materials, add those in time, working and storage space, man-hours, maintenance, fuel and quality improvements, and you have a more complete story of what *Improved Heat Processing* can do for you in these industries:

Metal Producing	Paint	Glass
Metal Working	Chemical	Ceramics
Petroleum	Paper	Textile
Petro-chemical	Ink	Printing

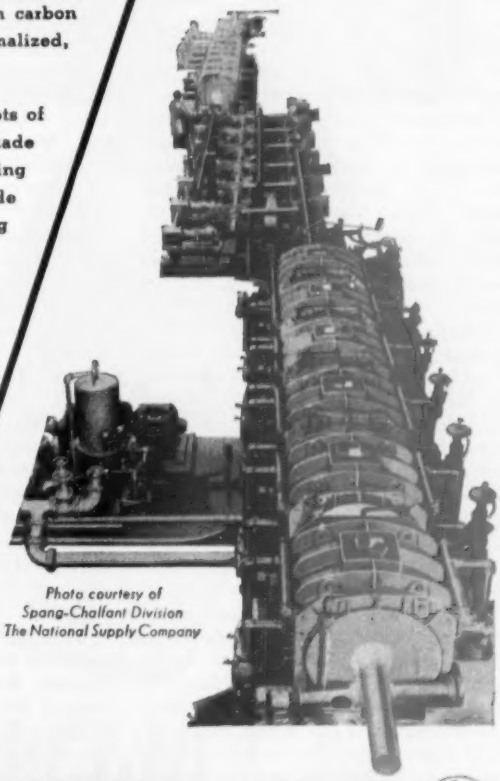


Photo courtesy of Spang-Chalfant Division The National Supply Company

***Improved Heat Processing**

SELAS

CORPORATION OF AMERICA

PHILADELPHIA 34, PENNSYLVANIA

Heat Processing Engineers for Industry • Development • Design • Manufacture

LABOR

Union Democracy: Trend in the Making

● **Upholsterers set up appeals board, outside their ranks, to guarantee "bill of rights."**

● **Thus members can find impartial justice, even in cases where labor tends to be biased.**

● **Move is part of a general trend toward broader powers for the rank and file.**

When the Upholsterers International Union (AFL) held its convention in New York City two weeks ago it took a step that looked like heresy to a lot of union leaders. UIU approved a "bill of rights" for its members, and then adopted a trial procedure to guarantee justice under it.

The jolt comes in the last step of the trial procedure: It sets up an outside appeals board. This board, made up of reputable persons unconnected with the union, will hear the plaints of members who charge that they have been deprived of their rights without fair trial. Appeal cannot be made to the board until the member has exhausted the remedies provided inside the union.

• **Developing Trend**—The Upholsterers' move is part of a trend that has been developing for 10 years, with a marked increase in impetus in the past few months. It is a trend toward more democracy in unions—less authority for the officers, more participation by the rank and file, and more protection of their rights.

Labor's increased disposition to take up its own broom has been heightened by such things as state intervention on the New York-New Jersey waterfront (BW—Jun.20'53,p164), and talk of giving the states a free hand to regulate unions. It has also been promoted by the fact that unionism in a growing list of industries has passed out of the stage of slam-bang organizing and into a phase where holding membership is a larger and larger problem.

• **Effect**—The trend toward more union democracy will have mixed effects on labor relations:

On the one hand, it will reduce the chances of corruption in the administration of unions. That would follow directly from the greater decision-making power held by the rank and file. Union members, by majority vote, would also have much more say in matters affecting their jobs, wages, and working conditions.

On the other hand, the reduced authority of union officials might lessen their efficiency in contract negotiations. Unlike the representatives of management, union people need referendums and ratifications to arrive at firm deals.

Democracy would have another effect on union affairs: It would tend to cut down on long tenures of office. This would reduce autocracy, and attempts to build up personal prestige. But the short terms would offer little chance to develop the skilled leadership that comes with experience.

• **Old Story**—Actually, the trend toward union democracy is nothing new for the Upholsterers. The union has had a fair degree of popular rule ever since a hard-to-forget lesson in the mid-1930s when a Communist group seized control. After UIU shook off the Commies, it decided to plug the holes that had let them creep in. Part of the strategy it adopted was to provide justice.

Union officers were impressed by the policy statement just drafted by the American Civil Liberties Union on "democracy in labor unions." By convention time, the Upholsterers' general executive board was ready with a policy statement of its own—one that had grown out of, and fairly closely followed, the ACLU design. The convention bought it, committing itself to guarantee these basic rights for individual members: the right to attend meetings, to vote, to hold union office, and to take free political action; the right to free elections, to an accounting, and to fair and equal treatment regardless of sex, race, or creed.

Most of these are standard guarantees in union constitutions. But often they become dead-letter clauses, or handy slogans for leftist leaders. The new UIU trial procedure, with its rather drastic final step, was designed to make these rights come alive.

• **Objectivity**—The Upholsterers expect some carping from other unions because they have surrendered final authority on certain matters to outsiders. But they see no other way to guarantee objective justice to a member who, for instance, is charged with an offense that may seem particularly heinous to a union, such as scabbing or spying for an employer.

Several aspects of the procedure interest other union officials.

• To insure impartiality, the UIU convention will name the appeals panel, and will do any removing from it.

• A five-man or seven-man panel is planned so that there will always be a quorum available for hearings.

• An accused member, but not his accuser, has the right of appeal from the board to the floor of the convention.

• Anyone with a real interest in a case can appeal to the board, not just the accused and the accuser.

• **Steps Elsewhere**—The Upholsterers have taken the most dramatic step toward union democracy, but other outfits are moving in the same direction. In May, the richest of them all, the International Ladies Garment Workers, (AFL), had an answer for often-heard charges that labor leaders take their stewardship of union funds too lightly. President David Dubinsky issued a detailed accounting of the union's $166-million assets. The report indicated that:

• Union officers get modest salaries despite the fat treasury. Dubinsky himself gets far less than many union presidents, in 1950 threatened to resign if the union insisted on giving him a $10,000 raise.

• The international protects the membership's money. It spent over $500,000 in the last three years on traveling auditors to see that no one at local or joint board level was dipping sticky hands into union funds.

In another field of responsibility, ILGWU took an unusual step to keep out racketeers and grafters: It hired as full-time private investigator into its own affairs a young lawyer who had had two years' experience on the New York State Crime Commission checking into waterfront scandals. Dubinsky stressed that the move was to "keep clean" rather than to "get clean."

The AFL hatters union also likes the idea of keeping clean. Meeting in New York this month, leaders recommended that the AFL set up a special "department of justice" to keep racketeers from becoming entrenched in union ranks. The union felt this would help AFL to gain "high repute in the general community," and advance labor's welfare.

CROWN

SPRA-TAINER Does It Again!



"stop that smell!"

3-WAY AIR REFRESHER is a pressure product of Reefer-Galler, Inc., New York. This popular spray preparation serves every deodorizing need throughout the home, quickly conditioning the air by scientific *triple action*. 3-WAY AIR REFRESHER is packed in the "Modern Design" and seamless construction of the world's original and leading propulsion can: Crown SPRA-TAINER.

In addition to aerosols, Reefer-Galler also package an extensive line of solid and liquid products in other types of Crown Cans. All products are readily identified by a merchandisable "family design," perfectly reproduced by Crown's famous Lithography Service.

Whatever you need in the way of Cans or Service, a cordial welcome awaits you at Crown.



Among other familiar Reefer-Galler Products in Crown Cans: Roach-Fel, Fel, Para-Pure, No-Moth and "Sla".

One of America's Largest Can Manufacturers

CROWN CAN

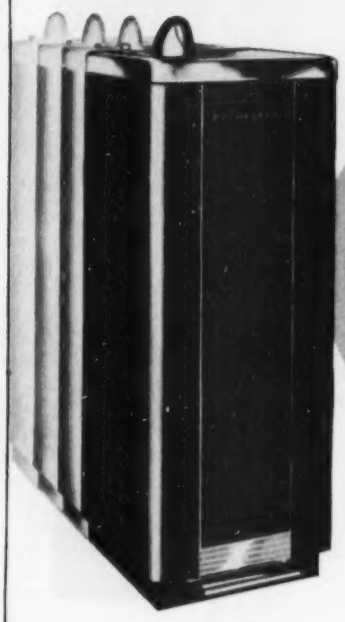
PHILADELPHIA

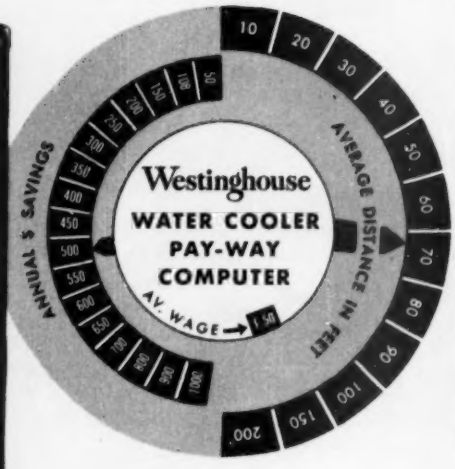
Division of

CROWN CORK & SEAL COMPANY

PHILADELPHIA, CHICAGO, ORLANDO, BALTIMORE, NEW YORK, BOSTON, ST. LOUIS

PROVE IT!





See this Lightning Calculator. A flick of the dial shows annual savings when sufficient Westinghouse Water Coolers, correct size and type, are installed to supply your employes' needs.

Additional Installations of Westinghouse Water Coolers Save You $50 to $1000 Every Year

How much time do your employes waste walking to and from a distant water cooler? How much does this waste of time in extra steps cost you each year? These are important questions! The Westinghouse PAY-WAY PLAN proves that additional water coolers more than pay their own way, will actually save you many annual dollars beyond installation cost.

Challenge us to *Prove It!* We will be glad to share this savings secret—to show you our *Pay-Way Computer*—so you, too, can translate worktime saved into additional dollar profits.

Check the Yellow Pages of Your Telephone Book for Your Local Westinghouse Supplier

WESTINGHOUSE ELECTRIC CORPORATION
Electric Appliance Division • Springfield 2, Mass.

YOU CAN BE SURE...IF IT'S Westinghouse

See our three popular TV shows every week . . .
FREEDOM RINGS . . . Westinghouse STUDIO ONE . . . MEET BETTY FURNESS

T-H Problems . . .

. . . worry engineers, plant guards, and foremen. They are seeking changes — in 1954 if not this year.

There are only slim prospects now for Taft-Hartley action this year (BW—Jun.20'53,p40), but three specialized groups—professional engineers, plant guards, and foremen—are still campaigning for changes in the law.

Their sights are as much on 1954 as on this Congressional session. Present proposals, important to many industrial employers, will merely be pigeonholed when Congress recesses. They will be heard again when Congress really settles down to the complex job of revising the federal labor statute.

The National Society of Professional Engineers (not a union) wants T-H amended to permit scientific, technical, and professional groups to discuss wages, hours, and working conditions with management—with the protection and support of the federal law.

• **Opposed**—A bill introduced by Rep. Kearns (R., Pa.) along lines suggested by NSPE is opposed by a loose-knit group of professional and technical unions, the Engineers & Scientists of America. ESA, worried about a growing interest in bargaining among professional groups, wants T-H amended to make it an unfair labor practice for employers to discuss collective bargaining matters with professional organizations.

• **Affiliation**—Meanwhile, the Independent Guards Union of America (unaffiliated) wants T-H amended to permit unions of plant guards to belong to AFL or CIO. The union, barred by T-H from affiliation with any labor organization that also represents production workers, calls the restriction "totally inconsistent and unreasonable."

And the Foreman's Assn. of America, a union for supervisory employees, is urging amendment of T-H to end the blanket elimination of supervisory employees from the coverage—and protection—of the Taft-Hartley law. FAA suggests that the definition of "supervisor" be revised to apply only to "any person having authority, in the interest of the employer, to hire or discharge other employees."

Such employees "associated with policy-making management" would still be excluded from T-H coverage. Others would be brought under the "orderly processes" of the law—including the right to go to the National Labor Relations Board for representation and bargaining support.



MARTIN DURKIN is finding out the hard way that being a union man means . . .

Slow Going for Secretary

Ex-steamfitter Durkin can't get up Labor Dept. steam. Appointments lag and program makes no headway, but patience—or stubbornness—may win.

Martin P. Durkin, a steamfitter on leave from the presidency of his union, is known to his friends as a patient man and to his critics as a stubborn one. Both feel confirmed in their judgment since Durkin became Secretary of Labor.

A less patient or less stubborn man, they say, would have stomped out in a dudgeon by now, confirming still another judgment—Sen. Taft's—that the Durkin appointment in the first place was "incredible."

For Secretary Durkin has not been able, after five months, even to assemble a staff that is satisfactory both to himself and to those who hold the actual appointive and veto power. He feels put upon, and therefore unhappy, but there are those who feel he has largely done this to himself—by his deliberateness, by his inability to face the reality that this, after all, is a Republican Administration, and by his failure to give the White House the strong leadership it needs in the labor field.

• **Minor Role**—It is difficult in the best of circumstances to achieve distinction, much less scintillate, as Secretary of Labor. The department is by far the smallest in the government. It has no policy-making function of significance.

So the administrative functions of the Secretary of Labor are minor, compared with most other Cabinet posts. The ideal Secretary of Labor, perhaps, is not simply an administrator, or policy-maker, but a successful political liaison between the White House and the leaders of organized labor. In that sense, no Secretary of Labor has served with distinction, at any rate not since labor split into rival camps.

• **These Came Before**—It used to be fashionable in certain circles to snicker at references to Frances Perkins as the nation's first lady minister. Everybody knew that President Franklin D. Roosevelt was his own Secretary of Labor. When he talked with labor politicians, she was not even invited to sit in.

In the meantime, she functioned quietly and efficiently in the administrator's role, kept the New Deal out of trouble in her own little area, and above all was loyal to her boss.

Now they are saying, more and more seriously, she was the best Secretary of Labor the country ever had. Her predecessors, William B. Wilson, from the United Mine Workers; Jim Davis, a



MOSINEE "TURN-TOWLS will save us many dollars"

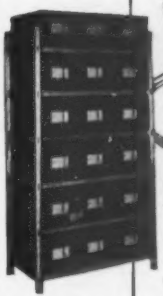
• So says a Rochester, N. Y. manufacturer's Purchasing Agent after using MOSINEE Turn-Towl service 8 months. And he further adds: "We notice the drying qualities of MOSINEE towels are such that one towel will do the job where it used to take 2 or 3 of the towels we formerly used."

Write for Samples

MOSINEE Sulphate Towels

BAY WEST PAPER CO.
1100 West Mason Street
GREEN BAY • WISCONSIN
Division of Mosinee Paper Mills Co.

NOW at Lower Cost!
Liberty Improved
PREFAB WOOD SHELVING





NO NAILS—NO SCREWS
Set it up without tools

Learn all about this sturdy, easily erected, economical shelving for permanent record storage.

Completely prefabricated of precision cut Ponderosa pine, with factory applied metal interlocking brackets. Measures 76" x 42" x 24". Each of six shelves are adjustable 1" up or down.

Extension units lock to starter unit making infinite linear shelving or back-to-back island shelving.

CLIP THIS AD TO YOUR LETTERHEAD for details and the name of your local dealer.

Just a few REPEAT USERS:
Aluminum Co. of America
Fansteel Metallurgical Corporation
Halliburton Oil Well Cementing Co.
Perfect Circle Corporation
United States Rubber Co.

BANKERS BOX COMPANY
Record Retention Specialists Since 1918
720 S. Dearborn St. • Chicago 5, Ill.

THE
AMERICAN
APPRAISAL
COMPANY

Valuation of
Tangible and Intangible
Properties for
Insurance Accounting
Finance Tax and
Legal Requirements

America's
No. 1 Comfort Shoe

Dr. Locke Shoes



they
look as good
as they
feel

Style L1222
Tan woven Oxford

For Free booklet, write
Field and Flint Co.
BROCKTON 68, MASS.

HELP WANTED?

If the man you seek is at management level — or on his way up — he's probably a reader of BUSINESS WEEK. Secure his services through BUSINESS WEEK'S classified advertising section . . . . . "clues."

one-time iron puddler and Pennsylvania politician, later to become a U. S. Senator; and William N. Doak, a railroad union man, had it easy. The department was even smaller than it is now, and labor was neither great politically, nor divided and touchy.

President Truman picked former Sen. Lewis B. Schwellenbach, of Washington, to succeed Miss Perkins. On paper, he had all the qualifications, but in no time at all, Truman was his own Secretary of Labor and Schwellenbach was ignored.

Maurice J. Tobin, a young, handsome Boston politician, popular with labor, mayor of his city and governor of his state at various times, looked like the ideal man for the job, too. Tobin continued his genial relationship with the labor leaders, but when they had something really important to say they went directly to the White House.

• **Why This Man?**—The appointment of Martin P. Durkin was a bit of a mystery to those on the outside. It was felt that the Administration chose him to demonstrate its friendliness to labor and at the same time to give Cabinet recognition to the Catholics.

To some, like Sen. Taft, the appointment was "incredible," not so much because Durkin was a labor leader, but because he was a Democrat, supported General Eisenhower's opponent, and demanded complete repeal of the Taft-Hartley law.

In picking a labor leader, the President necessarily had to favor one camp. In going to the AFL, he chose somebody who did not belong to the hierarchy. Durkin, in fact, had no influence in the building trades, and even was out of joint with many of his colleagues.

As Secretary of Labor, he was slow to find the staff men he wanted, and when he did find them they were unacceptable or too controversial to pass muster in the White House or the Senate.

The exception to this was Lloyd Mashburn, of California, also an AFL building tradesman, who was appointed Under Secretary early and confirmed without delay.

• **Vacancy Signs**—Durkin had three assistant secretary posts to fill and, following a New Deal-Fair Deal custom, offered one of them to the CIO. Without further consulting the CIO about individual names or their political implications, Durkin took the CIO's designee and referred him to the White House. He is John W. Edelman, lobbyist for the Textile Workers Union of America and a one-time Socialist whose parents were philosophical anarchists. Edelman has not been nominated.

Durkin has recommended at least two men for assistant secretary in charge of international affairs. Both have been knocked down for political and other reasons. He has looked long for an assistant secretary from the ranks of business to fill the third post.

Durkin's first solicitor was a Taft man, Harry N. Routzohn, who had the carpenters' union as a client. He died. The man reported lined up for the spot now is a friend of a Justice Dept. official, but a stranger to Durkin and to labor.

• **Odd Man on the Team**—Durkin has had similar difficulties piecing together a Taft-Hartley program acceptable to the White House. He was told to work out something with Secretary of Commerce Sinclair Weeks, but Durkin's proposals were so much like a labor leader's rather than a Republican cabinet member's that he and Weeks were not able to make much headway until last week.

Progress was reported after President Eisenhower brought Durkin, Weeks, and their aides together for a White House conference on Administration-wanted T-H amendments. The result may be a last-minute bill incorporating changes not likely to stir up much controversy.

Durkin also has other hefty problems. Before he really gets down to the job of setting up an efficient, smoothly-working department, he has to make substantial reductions in staff—about a hundred in the Bureau of Labor Statistics, even more in Wage-Hour, between forty and fifty-five lawyers in the solicitor's office, and so on—because of budget cuts.

All of this demands certain character traits, whether they be called patience, stubbornness, forbearance, or a sense of unreality. On top of these, Durkin complains of a certain aloofness on the part of fellow Cabinet members. He is reported to have said that when he walks into a roomful of them, "everybody stops talking." Durkin, it seems, is on the team, but not of it.

The Pictures—Cover by Bob Isear. Black Star—27 (ctr.); British Information Service—122; Henri Cartier-Bresson—28 (rt.); Eastfoto—28 (lt.), 29 (rt.); Joern Gerdts—80, 81, 82; Harris & Ewing—29 (lt.); Humble Oil—104, 105, 106, 107; Int. News—28 (ctr. rt.), 29 (ctr. rt.), 118; Bob Isear—154, 156; Ed Nano—48, 49, 102; Bob Phillips—135; Hugh Sidey—124, 125; Doreen Spooner—27 (bot.); United Press—28 (ctr. lt.), 29 (ctr. lt.), 98 (top lt.), (ctr.), (bot. lt.); U. S. Post Office Dept.—98 (top rt.), (bot.), (ctr.), (rt.); Westinghouse—114; Wide World—27 (top), 140; George Woodruff—32, 33.

Added Raises for the Skilled?

UAW and IUE have negotiated extra wage boosts for certain skilled workers—reversing the long-term trend toward equal raises. In steel, it's just the opposite.

The problem of keeping skilled workers happy in an industrial union—in which the skilled are a small minority—is understandably important to the leader of that union. It's just as important to him, in fact, as the problem of keeping them content on the job is to their employer.

Both the union man and employer have this ticklish question to answer at the bargaining table: Should all workers covered by a wage settlement get the same cents-per-hour raise, or should the highly paid skilled workers get more?

There have been many exceptions—notably due to wage stabilization during and right after World War II—but through the years the long-term trend has been toward equal raises, intended to level out rates paid lowest-rated and top-skilled workers.

• **Latest Moves**—Recently, however, these developments cropped up:

• In auto and electrical manufacturing, the United Auto Workers (CIO) and International Union of Electrical Workers (CIO) negotiated additional wage boosts for certain groups of skilled workers—stretching the spread between lowest and highest rates.

• In steel, where wage pacts have often been drafted to give bigger raises in each ascending job or skill classification, industry and United Steelworkers (CIO) agreed this year on a flat 8½¢-an-hour, across-the-board raise—the same amount for everybody.

The skilled-wage provisions in the year's three major bargaining patterns to date may involve no changes in union bargaining policies, but they show the attention now being paid—in both union and management offices—to the relationship between the production workers' pay and the wages of skilled workers.

• **Added Raises**—UAW has been conscious through the years of the traditional differential paid skilled craftsmen, as well as of the fact that it could not appear to favor the relatively small group of craftsmen at the bargaining table.

It got skilled workers added raises of 5¢ in 1942, 6¢ in 1943, 5¢ in 1947,

What's Happening to the Cost of Living

	Total Cost of Living 1947-49 =100	Total Cost of Living 1935-39 =100	Food 1947-49 =100	Clothing 1947-49 =100	Housing 1947-49=100 Total	Housing 1947-49=100 Rent Only
May, 1947	93.5	156.4	92.9	96.7	93.3	92.5
May, 1948	102.3	171.1	104.4	103.2	100.9	99.9
May, 1949	101.8	170.2	100.2	100.0	102.8	104.5
May, 1950	101.3	169.3	98.9	96.5	104.7	108.5
May, 1951	110.9	185.4	112.6	106.6	112.2	112.5
May, 1952	113.0	189.0	114.3	105.8	114.0	117.4
June	113.4	189.6	114.6	105.6	114.0	117.6
July	114.1	190.8	116.3	105.3	114.4	117.9
August	114.3	191.1	116.6	105.1	114.6	118.2
September	114.1	190.8	115.4	105.8	114.8	118.3
October	114.2	190.9	115.0	105.6	115.2	118.8
November	114.3	191.1	115.0	105.2	115.7	119.5
December	114.1	190.7	113.8	105.1	116.4	120.7
January, 1953	113.9	190.4	113.1	104.6	116.4	121.1
February	113.4	189.6	111.5	104.6	116.6	121.5
March	113.6	189.9	111.7	104.7	116.8	121.7
April	113.7	190.1	111.5	104.6	117.0	122.1
May, 1953	114.0	190.6	112.1	104.7	117.1	123.0

Data: U.S. Bureau of Labor Statistics.

BLS' index is now on a revised basis. It is linked to the interim-adjusted index for December, 1952, to form a continuous series (1) in terms of 1947-49=100; and (2) using a 1935-39=100 base. The former (1) is the fully-revised index BLS plans to continue beyond 1953. BLS will also issue its unrevised "old" index for the first six months of 1953, for those having escalator contracts.



What! No Ice Cubes?

This situation would be enough to drive anybody to drink—water, that is. Yet it shows, in dramatic fashion, how important fasteners are to refrigerators.

Of course, this will never really happen to any modern refrigerator, thanks to the constant fastener research carried on by Lamson & Sessions in cooperation with leading appliance manufacturers.

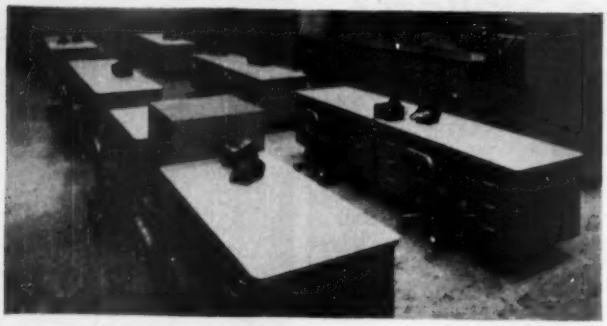
But there *is* a moral to this story: When you select fasteners for any product, it will pay you to consult Lamson *first*. If the answer isn't already in our files, our years of experience in helping manufacturers select the "just right" fastener for their products, can be of immeasurable value to you.

THE LAMSON & SESSIONS CO.
1979 W. 85 St., Cleveland 2, Ohio.
Cleveland & Kent, O. • Birmingham • Chicago.

Lamson & Sessions

The home of "Quality Controlled" fasteners

Now...the kind of office your business needs!



STEELCASE

can make your office look like this!

Greater efficiency . . . greater beauty . . . that's Steelcase. A given area seats 25% more employees . . . users report as high as 35% gain in office output . . . filing capacity increases . . . interchangeability of units allows you to meet changing job requirements. Steelcase styling, color and beauty impresses customers, delights employees. And you save on Steelcase lifetime construction. Ask your Steelcase dealer for full information.

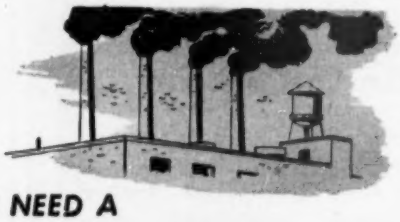
Look for your Steelcase dealer in the "Office Equipment" classification of your phone directory.

For new ideas in office planning, write for "Tooling Up Your Office"

METAL OFFICE FURNITURE CO., Grand Rapids, Michigan

STEELCASE *Business Equipment*

Does your plant have a smoke or fume problem?



. . . THEN YOU NEED A

BENDIX-FRIEZ AEROVANE*



One of many Bendix-Friez precision instruments that are solving many important problems for industry.

This finely-precisioned instrument provides a continuous, accurate, *electrically-written* record of wind direction and velocity. It offers you the *scientific* way to get data that's indispensable for working out smoke and fume control most effectively. Every day Bendix-Friez weather instruments . . . the accepted standard of comparison . . . are proving that they can perform more and more valuable services for industry. Let us demonstrate how we can help you.

*REG. U.S. PAT. OFF.

FRIEZ INSTRUMENT DIVISION of
1416 Taylor Avenue • Baltimore 4, Maryland
Export Sales:
Bendix International Division, 205 East 42nd St., New York 17, N. Y.

Bendix
AVIATION CORPORATION

and 5¢ in 1950. But despite these increases, UAW's skilled members have been grumbling about "inequities" and what they describe as union emphasis, in bargaining, on the production workers' wage problems.

So this year UAW negotiated a 10¢ hourly increase for 40,000 skilled workers in General Motors plants. It then negotiated 10¢ increases for similar groups and 20¢ for die-sinkers, pattern-makers, and die-builders employed at Ford and Chrysler. UAW explained that the skilled workers' raises were "in recognition of the inequities that have developed, because of the Korean conflict, as between skilled trades workers . . . and those employed in jobbing shops."

Similarly, IUE negotiated extra raises of 1¢ to 8¢ an hour for skilled workers in General Electric plants. IUE said additional raises were necessary because "an inequity exists—skilled wages have not kept pace with wages paid production workers."

• **Mutual Interest**—UAW and IUE explanations tell a large part of the story. On the basis of percentage of increase, lower-skilled workers have fared better than those in upper job brackets. But there are practical reasons, too, for the skilled raises.

Since skilled craftsmen have traditionally belonged to AFL craft unions, and since Taft-Hartley permits craft units to be carved out of plantwide bargaining units, UAW and IUE had to take skilled workers' dissatisfaction seriously. Ignored, it could easily lead them into AFL's craft unions.

Management also had its interest in adjusting skilled workers' wages. Many have been quitting industrial plant jobs for higher-paying opportunities in the tight job-shop labor market. Moreover, a narrowing wage differential has meant less incentive to acquire specialized high skills.

Hence there has been no basic argument between unions and employers on the matter. The only question has been: How much?

• **Steel Case**—The situation in steel this year was different. In the settlement on a flat 8½¢ hourly increase in pay, USW and industry negotiators put aside what has long been considered an established policy in the industry: flat across-the-board increases for all workers and a further increase—of, say, ½¢—in the increment between the 32 job ratings in the steel industry.

Why was the increment-increase policy suspended this year? The answer seems to be that industry negotiators considered the $3.22½ hourly rate that the flat increase would give workers in the highest job classification high enough to keep skilled workers satisfied. And union negotiators saw no reason why the present spread between

top and bottom rates should be stretched still further.

The increases this year for skilled auto and electrical manufacturing craftsmen may affect bargaining in job shops and other places were craftsmen are employed. UAW is asking job shops in the Detroit area, represented by the Automotive Tool & Die Manufacturers Assn., for 15¢ raises for skilled workers. Reason: It says recent auto settlements have wiped out "existing differentials" that must be restored, and even broadened a bit.

Annual Wage

USW lists guarantee as major demand on ALCOA but may push review of wage pattern instead.

The United Steelworkers (CIO) made what might be its first serious bid for a guaranteed annual wage in bargaining with the Aluminum Co. of America in Pittsburgh this week. It listed the wage guarantee as one of four major demands in negotiations on a new contract.

USW also asked for:

• A general wage increase—and advised against jumping to the conclusion that steel's 8½¢ pattern would apply in ALCOA's case.

• Improvements in hospitalization and insurance programs.

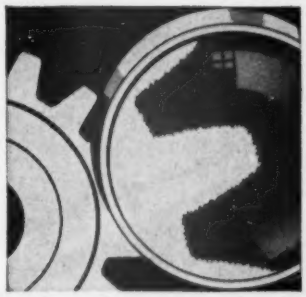
• A further reduction, looking to eventual elimination, of geographical, inter-plant, and intra-plant wage differentials.

USW did not make a cents-per-hour raise demand, but called for a general review of ALCOA's "hodge-podge rates"—which, according to the union, vary for similar jobs from plant to plant, and in some cases inside a plant. USW said it plans to "emphasize our efforts to further correct this situation.

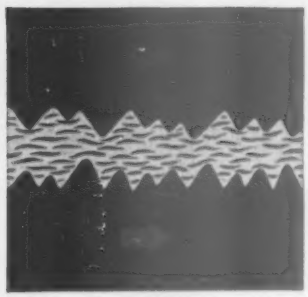
• **Real Effort**—James G. Thimmes, USW vice-president in charge of the ALCOA bargaining, told the union's negotiating committee last weekend that a real effort will be made to win ALCOA agreement on a guaranteed-wage program. He said that USW has "no doubt about the ability of ALCOA to pay the guaranteed wage. The future of the aluminum industry . . . is much greater than that in the steel industry."

USW's guaranteed-wage demand on ALCOA—and without doubt on Reynolds Metals Co., too—apparently will be similar to the United Auto Workers (CIO) planned demand (BW—Feb.21 '53,p177). Both call for the creation of a reserve to be financed on a cents-per-hour basis. The employer's liability for payments during shutdowns or layoffs is

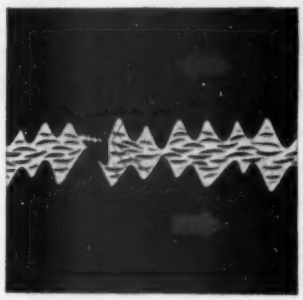
HOW SUNEP PREVENTS GEAR WEAR



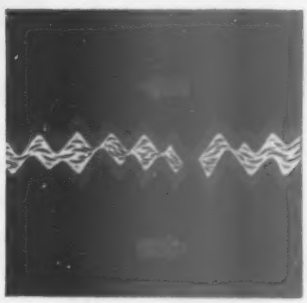
The surface of a gear may seem smooth, but when greatly magnified it looks something like this. The lubricant must keep these jagged edges apart.



With ordinary oil, a thick film is needed to keep these metal surfaces apart. The thickness of the film depends on the viscosity of the oil and other factors.



It is difficult to maintain a thick oil-film in usual practice. The oil film thins, and semiboundary lubrication results. With ordinary oil, metal to metal contact occurs and gears wear, especially when loads are heavy.



Sunep coats the surfaces with a chemically bonded, virtually unbreakable film. This film, although only about 0.0000001" thick, keeps the surfaces apart, withstands heavy loads and sudden shocks, prevents wear.

Sunep has many advantages. In addition to its outstanding load-carrying ability, it is noncorrosive; it keeps gears and bearings clean; it prevents rusting; it stays put. And its additives do not drop out during use or after prolonged storage.

For more information about Sunep and how it protects your equipment, call your nearest Sun office or write SUN OIL COMPANY, Philadelphia 3, Pa., Dept. BW-6.

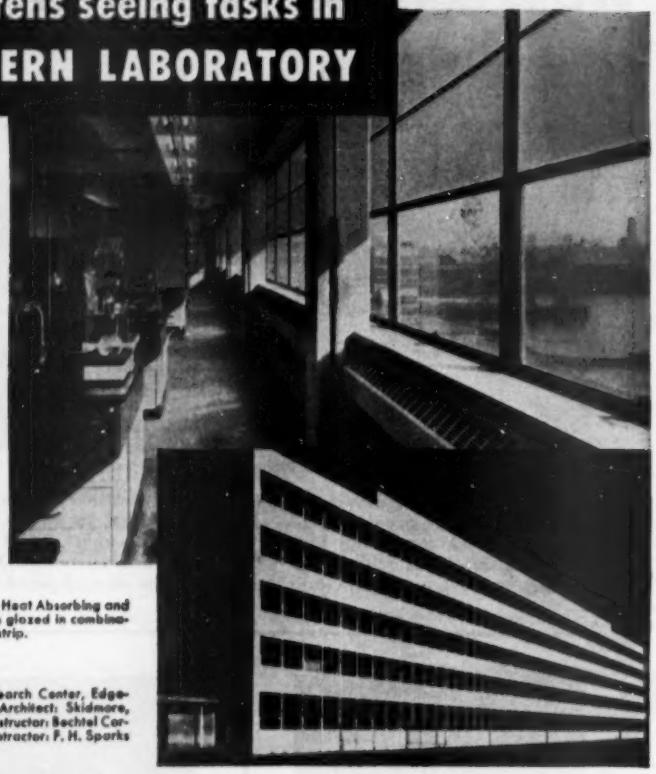
INDUSTRIAL PRODUCTS DEPARTMENT

SUN OIL COMPANY

SUNOCO

PHILADELPHIA 3, PA. ◆ SUN OIL COMPANY LTD., TORONTO & MONTREAL

COOLITE GLASS
lightens seeing tasks in MODERN LABORATORY



Installation of Coolite, Heat Absorbing and Glare Reducing Glass glazed in combination with clear vision strip.

New Lever Bros. Research Center, Edgewater, New Jersey. Architect: Skidmore, Owings & Merrill. Constructor: Bechtel Corporation. Glazing Contractor: P. H. Sparks Company.

22,000 Sq. Ft. of Heat Absorbing and Glare Reducing Glass Installed in New Lever Bros. Company Research Center

High levels of natural illumination help protect high standards of product quality and research in this carefully engineered structure. Luxlite Coolite filters out the unwanted factors in "raw sunlight"... reduces glare, absorbs excess solar heat... makes interiors cooler, more comfortable. Technicians see better, work better, feel better under softly tinted, filtered daylight. Coolite helps reduce eye fatigue in trying and important tasks. It helps create a pleasant working atmosphere... contributes to improved employee morale. But Lever engineers specified Luxlite Coolite for other important reasons — for glass and glass alone offer the time-tested performance needed for better daylighting at lowest cost.

Coolite Can Help Make Your Work Lighter

Consider Coolite for new construction or in modernization. The installation of Coolite is a positive investment to reduce rejects, cut maintenance costs and boost production.

There is no Substitute for GLASS!

It is non-combustible... won't burn. It is rigid... doesn't sag or warp. It has a permanently hard, impervious surface, not affected by time, abrasion or exposure to the elements. It won't corrode or stain. It resists chemicals — acids, solvents, etc. It is easily installed, maintained and cleaned by conventional methods.



Send for free catalog. Samples on request.

MISSISSIPPI Glass COMPANY
88 ANGELICA ST. SAINT LOUIS 7, MO.
NEW YORK • CHICAGO • FULLERTON, CALIF.

WORLD'S LARGEST MANUFACTURER OF ROLLED, FIGURED AND WIRED GLASS

to be limited to the extent of the reserve funds.

• **Steel Shied Off**—Aluminum companies aren't likely to be any more favorably inclined toward the guaranteed-wage demand than steel industry negotiators were a few weeks ago. In steel this year, bargaining was limited to wages. However, USW asked major steel producers to agree to study for a year the feasibility of guaranteeing steel wages—as a step toward guaranteed-wage bargaining in June, 1954. The steel companies refused to do it.

• **A "Must"?**—Major aluminum contracts—those of ALCOA and Reynolds Metals—expire July 31. There is nothing to bar USW pressure for guaranteed wages—if the union really wants to put up a fight for the demand.

Whether it does or not is a big question now. The demand will be made seriously enough. But USW's emphasis on the need for clearing up what it criticizes as "a messy situation" in wage structure, and the fact that Thimmes sailed late this week for a world labor conference in Stockholm, seem to indicate that a guaranteed wage is not a "must" in the aluminum settlement.

LABOR BRIEFS



Longshoreman leader Jack Hall (picture, above) and six other defendants were convicted in Hawaiian federal court last week of conspiring to teach and advocate the overthrow of the government by force and violence. Hawaiian dock workers, members of the leftwing International Longshoremen's & Warehousemen's Union, promptly quit work in an expected protest (BW—Jun.13 '53,p167). The walkout, which threatened shipments to Korea, ended early this week.

•

Steel's raise became the pattern last

week for a wage settlement between nine fire-brick producers and the United Construction Workers, an affiliate of the United Mine Workers. Refractories will raise pay of 5,000 workers 8½¢ an hour and eliminate, within a year, a 5¢-and-up North-South differential. The firms will now bargain with AFL, CIO, and an independent union on the same pattern terms.

•

An AFL victory last week brought 3,326 nonunion clerical employees of Western Electric Co., in Chicago, into the International Brotherhood of Electrical Workers (AFL). IBEW polled 1,668 votes compared with 323 for an independent and 893 for neither union.

•

Coal bargaining scheduled for September is likely to find John L. Lewis asking for a minimum 10¢-an-hour raise (topping the United Steelworkers' 8½¢) for his United Mine Workers membership. Industry people also expect another demand for a higher welfare-fund royalty—up from the present 40¢ a ton.

•

Merger talks between AFL and CIO packinghouse unions (BW—May23'53, p152) resumed this week, with immediate emphasis on cooperative negotiations with "Big Four" employers, and on a "no raiding" pact between the rival organizations. Officers of the AFL union announced last week that negotiations with CIO are "moving along" but a merger isn't imminent yet because of the technicalities involved.

•

An AFL challenge of the right of the Communications Workers of America (CIO) to bargain for 11,000 traffic employees of Illinois Bell Telephone Co. has been rebuffed. CWA polled 5,728 to 2,561 for AFL's IBEW. Now CWA is demanding that Illinois Bell match contract settlements in other Bell system areas (BW—May9'53,p178).

•

An 87-day strike of 1,000 Lever Bros. Co. employees in Hammond, Ind., ended when CIO's Gas, Coke & Chemical Workers accepted terms virtually the same as those offered before the walkout: pay raises of 4¢ to 8¢ an hour; incorporation of a 23¢ cost-of-living "bonus" into regular pay, and other benefits.

•

An injunction issued in Texas bars, at least temporarily, an organizing drive by the leftwing Fur & Leather Workers Union. Texas' attorney general charges it is "dominated, directed, and controlled by the international Communist party." The case is a test, under a state registration law, of Texas' right to bar leftwing unions from the state.





Now...for the first time you can LEASE

Sound and Paging Systems

for Factory • Office • Institutions

Whatever your company's intercommunication needs may be—from the simplest inter-office telephone hook-up to a complete music, voice paging and "talk back" system for a huge factory, hotel, school or hospital—you can now have the world's best equipment on the same basis as you have local telephone service!

And you can easily, without obligation, *find out* how your needs can be answered. A Stromberg-Carlson trained expert will gladly survey your needs—come back to you with a complete engineering proposal—and outline a *lease* arrangement whereby the entire system will be installed, serviced and maintained for not one penny capital investment!



Executive telephone intercommunication



Paging and music or announcement systems



Factory-to-warehouse systems



Complete systems for schools

4 points to consider:

1. **You need not borrow or appropriate a single cent for capital investment.**
2. **There's no obsolescence problem throughout the whole term of the lease—no "write-offs."**
3. **Such a system will contribute to efficiency and employee morale alike.**
4. **Expert engineers, not on your payroll, will keep your system in tip-top shape.**

Send Coupon Today for a Free Survey

STROMBERG-CARLSON

Sound [redacted] *Division*

1202 Clifford Ave. Rochester 3, N. Y.

Company Name.....

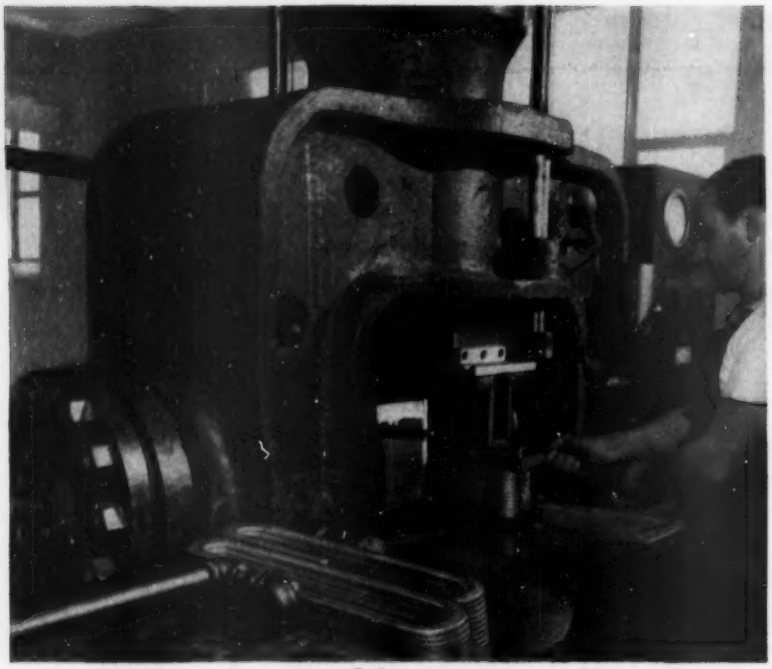
Address.....

.....

Signed by.....

Title.....

I'm interested in knowing more about leasing a sound system. Please have a representative call. I understand that this request entails absolutely no obligation on my part.



How this 2-way

FARQUHAR Hydraulic Press

forms motor and generator coils

In producing motor and generator coils from ¼ x 1-in. copper stock, the stock is first bent and the ends laminated, and then pressed to restore them to their original thickness. Then, the coil is put in this Farquhar 2-way Hydraulic Press for "pressing" the form.

The coil is laid on a steel block, a three-part filler mandrel inserted, and a top block applied. The press "snugs" the coil sides at low pressure (40 tons); then the vertical ram snugs the top. The operator kicks the pressure-shift pedal, to double vertical-ram pressure for forming.

Capacities of rams are 100 tons horizontally and 200 tons vertically. Illustration above shows operator withdrawing the coil after forming has been completed.

Farquhar Presses Cut Your Costs

The above installation is just one more example of Farquhar performance in heavy production! Farquhar Presses are built-for-the-job . . . assure faster production due to rapid advance and return of the ram . . . greater accuracy because of the extra guides on the moving platen . . . easy, smooth operation with finger-tip controls . . . longer life due to positive control of speed and pressure on the die . . . long, dependable service with minimum maintenance cost!

Farquhar engineers are ready to help solve whatever production problem you may have. Their expert assistance is yours for the asking. Give them a call . . . at no obligation, of course!

Or, send for our free catalog showing Farquhar Hydraulic Presses in all sizes and capacities for all types of industry. Write to: THE OLIVER CORPORATION, A. B. Farquhar Division, *Hydraulic Press Dept.*, 1501 Duke St., York, Pa.

Farquhar

HYDRAULIC PRESSES

for Bending • Forming • Forcing • Straightening • Assembling • Drawing
Extruding • Jogging • Forging • and other Metalworking Operations

THE OLIVER CORPORATION • A. B. FARQUHAR DIVISION

LOCAL BUSINESS

Graveyard Parking

Charleston, S. C.—There are over 13,760 people to every square mile in Charleston. That's a dense population. It means that land is at a premium, and that parking space in and around the city is hard to come by.

Other cities in the same boat have tried underground parking lots, roof parking lots, closed-street parking lots. But probably not many have thought of Charleston's solution: a graveyard parking lot.

• **Terms**—The City Council has made a deal with the Westminster Presbyterian Church whereby the church gets $1,000 and the city gets a large, old, almost abandoned graveyard near an existing city-owned parking lot. The city will convert the front two-thirds of the graveyard into a parking lot, and will move what few graves there are in that portion back to a rear area. The city has promised the church that it will care for the graves permanently.

In backing up the arrangements, Alderman Alfred O. Halsey had this to say in answer to possible protests: "The graveyard is in disgraceful condition. It has been used as a repository for all sorts of refuse." Added a newspaper editorial: "Surely the dead will rest as easy in . . . public land as in an abandoned field, shunned with distaste by generations who do not know or care about the occupants of those forgotten graves."

New Convention Hall?

Chicago—This city may soon get a new multimillion-dollar convention hall. Last week the Illinois legislature approved, and Gov. William G. Stratton agreed to sign, two bills opening the way for the project.

One of the bills authorized use of funds from a 1% state tax on racetrack bets for convention hall purposes. This tax was originally levied to raise money for a permanent lake front fair in Chicago, but the project collapsed. The second bill approved last week appropriated $5.7-million from the accumulated racetrack tax fund for the proposed hall.

• **Arguments**—Nothing is definite about the convention hall except these two bills. If it's built, it will probably be located so it's easily accessible from the Loop. Guesses put the cost at as much as $40-million.

Backers of the project are chiefly operators of State Street stores and Loop hotels. They claim Chicago is losing many big conventions because of inadequate facilities. Opponents of the

scheme are owners of the International Amphitheater, where last year's Democratic and Republican national conventions were held (BW–Jun.7'52,p78), and owners of the Chicago Stadium. Both of these buildings are well outside the downtown area.

Too Many Holidays

Honolulu—Hawaii's legislature and Gov. Samuel W. King decided last week that 13 to 15 legal holidays a year are too many. The territory now has a law abolishing holidays on the birthdays of former Presidents Lincoln and Franklin D. Roosevelt, and on Armistice Day. Still in the books are such days-off as Kuhio Day (honoring an island prince who was later a delegate to the U.S. Congress) and Kamehameha Day (honoring the king who united the islands).

Except for political considerations, the dead holidays might number only two. But Lincoln had to fall with Roosevelt, or vice versa, so that the law could get bipartisan support.

Questions and Answers

Canandaigua, N. Y.—A Rochester company that was badly cramped for space decided to look into the possibilities of Canandaigua a short while ago. It found power and other facilities to its liking, even chose a tentative plant site. Then it backed away. Company officials said they weren't convinced the labor supply was good enough or big enough, and they didn't have time to make an adequate survey.

This roused Canandaigua to action. Within a week, it had taken its own survey. The results showed that 2,600 people—representing a wide variety of skills and experience—would be interested in considering jobs with the company. Town officials are sure the company will move in now.

• **Quick Poll**—The town's action was sparked by Raymond Long, president of the Canandaigua Chamber of Commerce; and Philip Thomas, chairman of the town's Industrial Development Committee. When they heard of the company's problem, they called a public meeting. Some 400 people showed up, listened to the story, went out and spread it around. Before long, schools, granges, the New York State Labor Dept., and 800 volunteer workers were cooperating on a house-to-house survey.

The company doesn't want its name known until it makes the final decision (probably within a week or two), so Canandaigua citizens were told only the bare facts: The company will build its own plant, will employ 200 workers at the outset and possibly 1,000 later on.

For Sale or Lease

Oklahoma has many buildings and industrial sites available for immediate occupancy on a lease or purchase basis. Ample, high skilled labor easy to train, is ready to serve you whether it be in heavy or light industry. Advantages of low cost natural gas, economical power, adequacy of surface and ground water supplies; fast developing markets and availability of raw materials plus a progressive state government, merit your investigation when considering the establishment of a new or branch plant.

1

FLOOR SPACE: Four clear span steel buildings, 192 ft. long x 100 ft. wide, totalling 115,000 square feet. Four inch concrete pavement between buildings which could be enclosed, enlarging area to 175,000 sq. ft.

LOCATION: Covers a full section of level land, 640 acres, located five miles southwest of a city of over 10,000 population.

UTILITIES: Electricity furnished by local power company, reasonable rates based on volume and type of use. Transformer or sub-station on area assures ample supply for any heavy industry. Natural gas lines extend from city. Ample city water is available to site.

TRANSPORTATION: Surfaced highway extends from city to site. Truck lines are available for cargo. Railroad nearby and spur will be extended.

DESCRIPTION: Buildings can be utilized for assembly line operation or for warehouse and storage facilities. Parking facilities, room for expansion.

2

FLOOR SPACE: Total available floor space approximately 140,000 sq. ft.

LOCATION: Situated on 36 acres of land at the northwestern edge of a city of over 20,000 population.

UTILITIES: Equipped with municipal power, light and water supply and four inch high pressure gas lines. Eight inch sewer lines connect to city system. Adequate access roads.

TRANSPORTATION: City served by 2 railroads, 2 airlines, 8 motor freight lines, 2 federal and 2 state highways.

DESCRIPTION: Floors are heavy duty eight inch reinforced concrete. Windows are out swinging casements and screened. All buildings subject to reasonable lease by municipality. No city taxes.

3

FLOOR SPACE: Approximately 24,000 sq. ft. consisting of one story, brick building.

LOCATION: Located in town of over 10,000 population offering mild climate and healthful outdoor recreation, the year 'round.

TRANSPORTATION: Site served by major railroad and trucking freight lines.

UTILITIES: Natural gas and electric power furnished by local power companies. Amp'e water supply available. Access to paved state and Federal highways.

DESCRIPTION: Parking area in front of structure, ample facilities for expansion. Overhead sprinkler system and concrete floor. For lease or sale, reasonable.

These are just a few of the many available locations. Dependant on your needs, other buildings ranging in size and accommodations from 5 to 25 thousand square feet are offered for your industrial use. The citizenry of these communities are anxious to help you in the selection of your industrial site and to make YOUR business more profitable.

How Oklahoma can serve you best in the selection of your industrial site, write in confidence, giving details of your needs and requirements

OKLAHOMA

Write – Czar Langston, Director
State Capitol Bldg.
Oklahoma City, Okla.

Make More Money IN OKLAHOMA

Ask
The Fuji BANK, LTD.
about Japan...



For all those with business interests in Japan, The Fuji Bank, Ltd. offers complete banking facilities and information.

Established in 1880
184 Branches throughout Japan

The
FUJI BANK, LTD.

CAPITAL ¥ 2,700,000,000.
Chairman of the Board of Directors SEIJI SAKO

HEAD OFFICE: Chiyoda-ku, Tokyo
LONDON BRANCH: Copthall chambers, Angel Court, London E.C. 2

SAFEWAY STORES
INCORPORATED

Common and
Preferred Stock Dividends

The Board of Directors of Safeway Stores, Incorporated, on June 2, 1953, declared the following quarterly dividends:

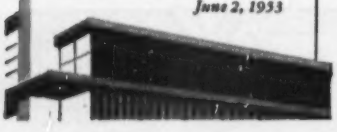
60¢ per share on the $5.00 par value Common Stock.

$1.00 per share on the 4% Preferred Stock.

$1.12½ per share on the 4½% Convertible Preferred Stock.

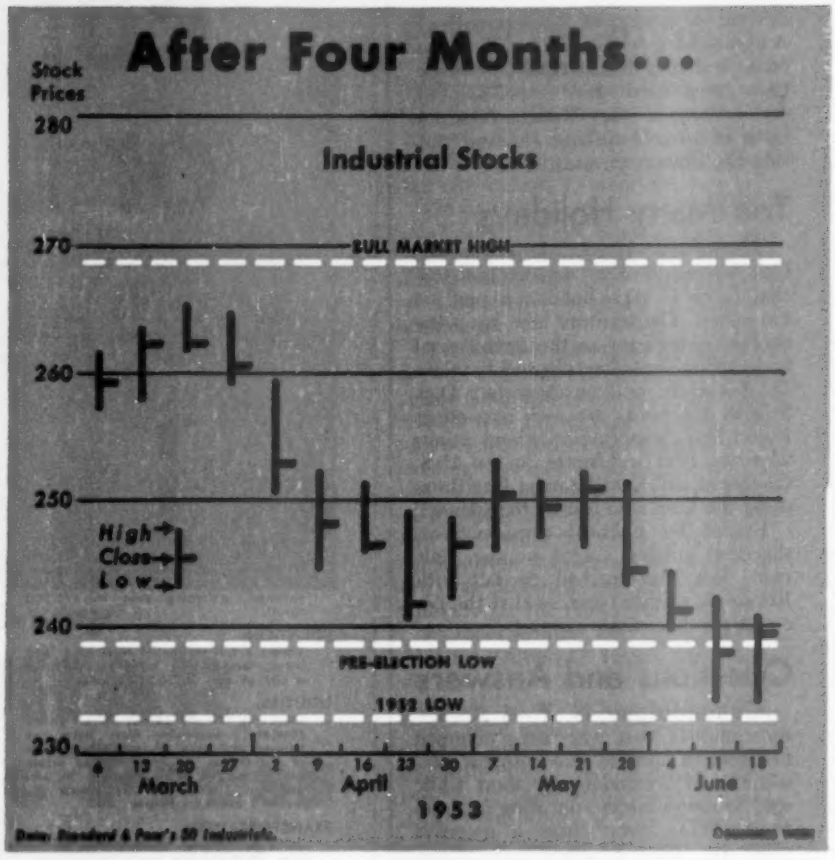
Common Stock dividends and dividends on the 4% Preferred Stock and 4½% Convertible Preferred Stock are payable July 1, 1953 to stockholders of record at the close of business June 17, 1953.

MILTON L. SELBY, *Secretary*
June 2, 1953



clues
are business opportunity advertising in
BUSINESS WEEK

THE MARKETS



Stocks Show Modest Signs

Wall Streeters still have their fingers tightly crossed. But midweek saw them in far better spirits than for some time—and with some fairly cogent reasons, too.

Stocks generally have been showing rallying tendencies, under the leadership of two long-time Street favorites: the rail and oil groups. Both corporate and Treasury bonds have also been more than holding their own (page 34).

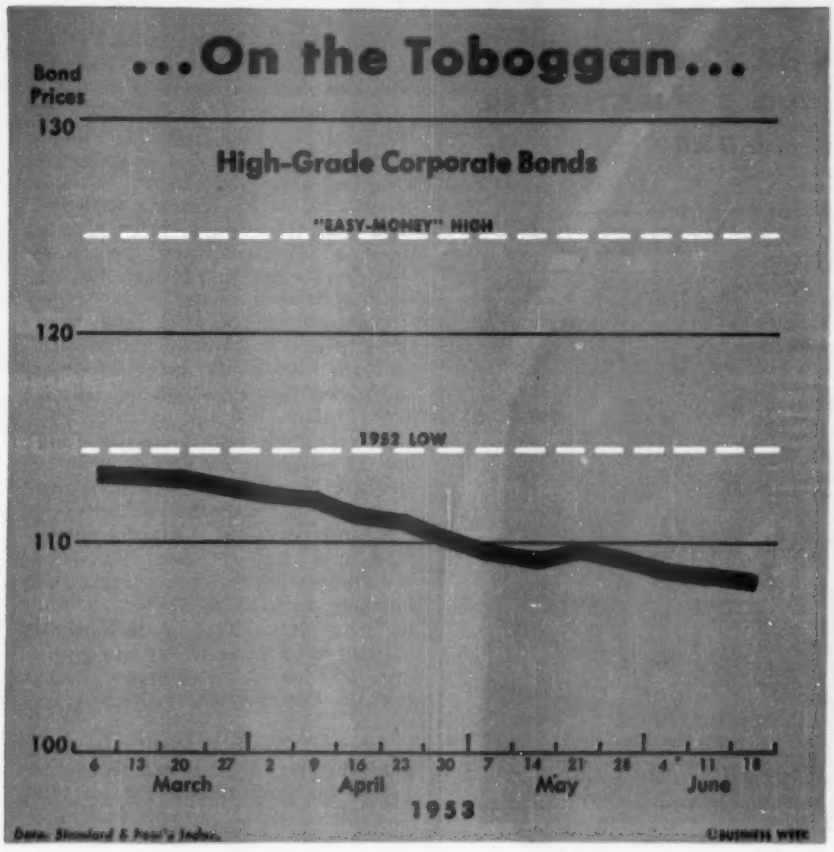
Streeters claim that recent trading in both stocks and bonds has revealed something long missing: definite signs that both marts are on more solid ground pricewise than for some months past (charts, above).

• **A Combination**—Why all this sudden improvement in market sentiment? As the bulls, perking up this week, tell the story, it has all come about through a combination of happy factors.

Last week's sharp rebound in grain prices—plus improved prices in many other sections of the commodity markets—has played a definite role, they report. So has the news that East Germany is rebelling against Soviet control. So have the price hikes recently put in effect by the oil and steel trades. And so has the slight easing in the money market since the mid-June tax-payment date. (This week's offering of $1.5-billion 91-day Treasury bills, for example, was sold at an average rate of 1.99%. That's the lowest interest cost such paper has borne since Feb. 9.)

Whatever the reasons, they have proved sufficiently potent to send more than a mere handful of stocks rocketing higher.

Take the oils. At midweek, Amerada Petroleum was selling at $166 compared with a low last week of $159; Deep Rock Oil at $41 was up from $37; Texas Pacific Land Trust had climbed to $126 from $117. Among the rails, Atlantic Coast Line was perched at $104 compared with only $96 early last week, Southern Railway was selling at $93.25 instead of $86.62, Illinois Central at $77 instead of $71.75, and



of Swinging Back Uphill

Union Pacific at $107.25, instead of $101.25 just a week earlier.

• **Restraint**—Thus far most bulls have kept their increasing enthusiasm well within bounds. Few are proclaiming this is IT. And most are willing to admit—privately at least—that the market cannot yet be said to be entirely out of the woods.

But more and more of them are inclined to believe that last week may have marked the start of one of Wall Street's traditional "summer rallies." Few will predict how far this is apt to go. But hopes are running high.

• The normal midyear investment demand has yet to be felt. It's true that this is rarely as strong as the traditional yearend investment demand. Still it always carries a potent punch. This year should prove no exception—especially, as one Wall Streeter put it, "with so many representative common stocks again yielding over 6% from well protected dividends."

• There will soon be a flood of excellent second-quarter earnings reports. Their publication will further reassure investors that dividend payments in the second half of 1953 are likely to continue their record-breaking first-half performance.

• The Korean situation—barring the unforeseen—has pretty much lost its potency as a stock market depressant. It is claimed that the downtrend during the last five months has well discounted whatever economic changes a Korean truce may bring. Most people now realize that government spending will continue at high levels for some time to come no matter what happens in Korea.

Even the bulls admit, however, that they would feel more comfortable about the intermediate term outlook if they knew one thing: the ultimate fate of the excess profits tax. They don't think the Administration is going to have its way in keeping the tax. Yet they are not too sure that Chairman Reed of the House Ways & Means Committee will be able to stave off the pressure being



ORANGE CORE
Gummed Tape
GRIPS TIGHTER

Orange Core's weld-like grip holds under severe handling and climatic conditions. *Supple-izing** puts thousands of tiny cracks in the heavy adhesive, so it instantly moistens deep—not just at surface. It seals your cartons with a weld-like bond that won't pop loose. Small wonder Orange Core is the world's largest selling gummed tape.

Mail coupon for money-saving folder.

FREE FOLDER
send now for
"How to make your shipping dollars go further"

*Copyright



HUDSON
PULP & PAPER CORP.
Dept. 97, 505 Park Ave., New York 22, N.Y.

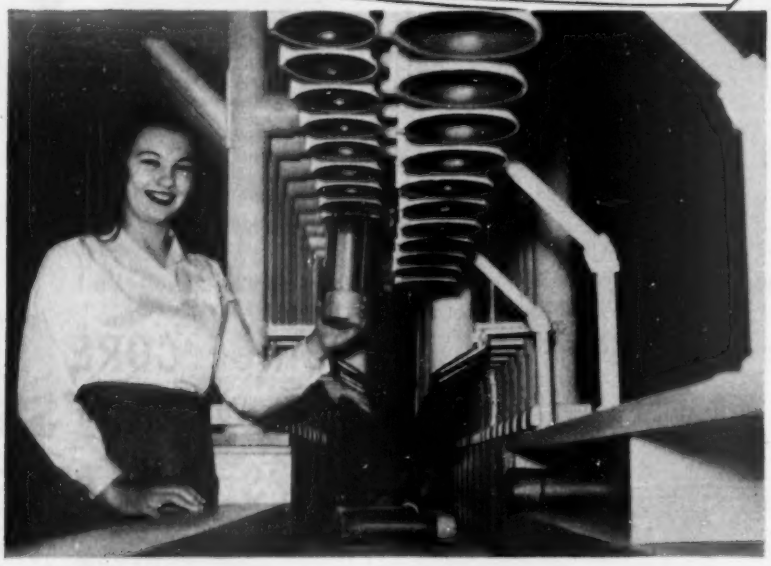
Send me your folder telling 6 steps to greater taping efficiency and shipping economy.

NAME _____
COMPANY _____
STREET _____
CITY _____ ZONE ____ STATE ____

ORANGE CORE
GUMMED SEALING TAPE

Put AIR to Work...

CARRYING MESSAGES AND RECORDS — SMALL PARTS — SMALL TOOLS — MATERIALS MERCHANDISE — MONEY



STANDARD PNEUMATIC TUBE SYSTEMS

GIVE YOU AIR EXPRESS INTER-DEPARTMENT SERVICE

FOR safe, swift communication and transport — without delay or dependence on periodic messenger service — between departments — floors — buildings — investigate Standard Pneumatic Tube Systems. They "fly" memos, instructions, letters, records, small parts and tools, merchandise, money, from point to point — nonstop — within your office or plant. Reduce messenger and telephone service. Users report savings as high as $10,000 in 9 months' time.

Standard Pneumatic Tube Systems can be installed for a wide range of needs in industrial plants, warehouses, office buildings, mail-order houses, hotels, hospitals, stores, banks — wherever delivery service between departments and buildings needs to be expedited.

Write for Bulletin No. 11 and complete information — Address Dept. BW-63.

STANDARD CONVEYOR CO.
General Offices: North St. Paul 9, Minn.
Sales and Service in Principal Cities

STANDARD PNEUMATIC TUBE SYSTEMS ARE BUILT BY THE MAKERS OF



Write for Bulletin No. 11 describing representative installations and savings achieved by Standard Pneumatic Tube Systems. Address Dept. BW-63.

Standard
GRAVITY & POWER
CONVEYORS

brought to bear on him to report out a bill extending the levy. If he can't, most bulls admit, it's quite conceivable that EPT will be extended to cover all 1953 instead of expiring on June 30.

• **Thin Market**—There's another fly in the ointment, even though most bulls prefer to overlook it. In the "rally" thus far there has been little real participation by the general public. Despite all the Street's excitement over advancing prices, daily trading volumes on the Big Board continue to hover around the 1-million-share level. As a result, all the sensational gains have been due more to thin markets than to any new flood of buying orders.

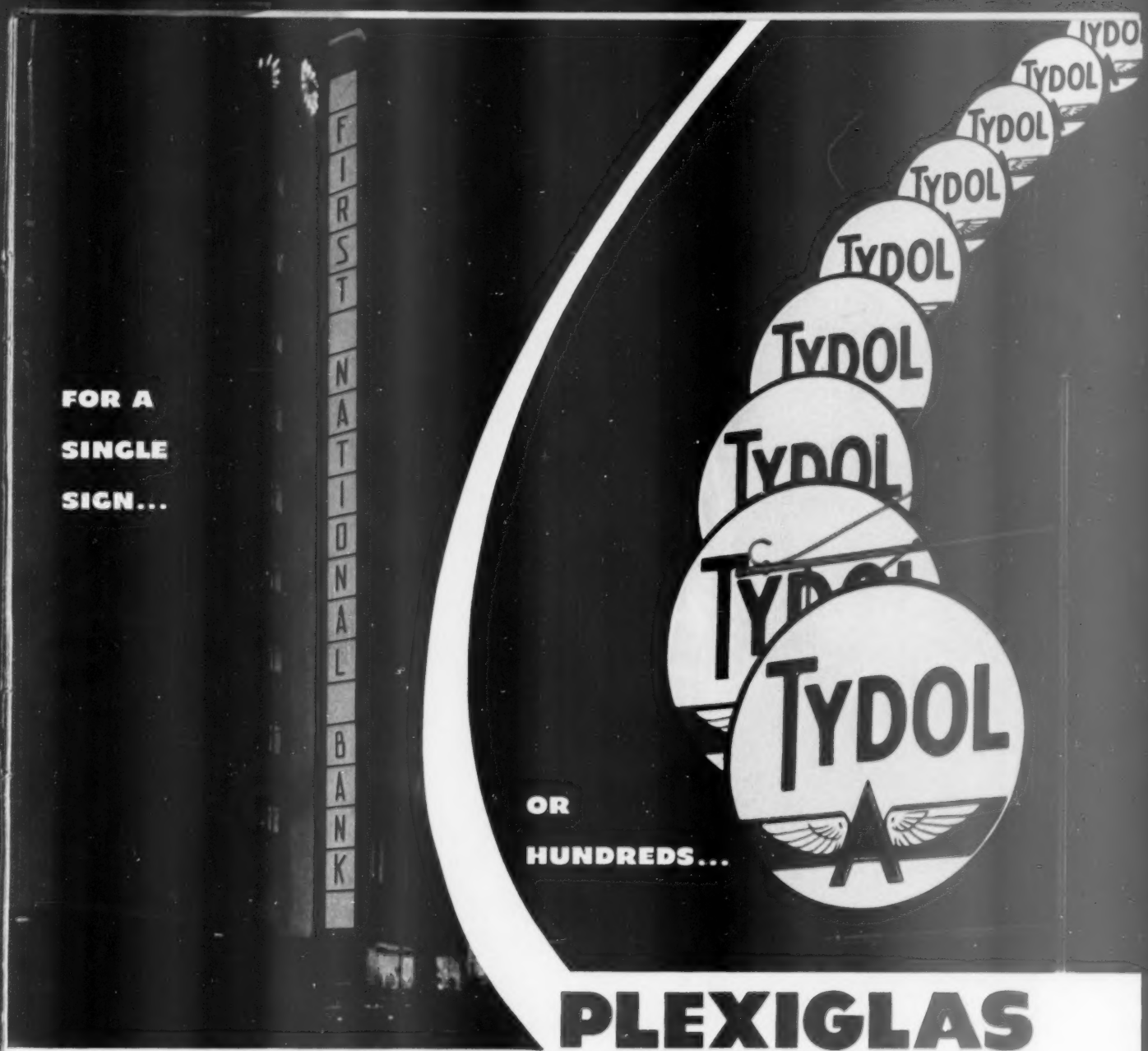
Obviously, the market could continue to drift upward for a time. To convince many earlier-brunt investors and traders that a real summer rally is in the making, however, the Street will have to produce much more active and broader markets before long.

These skeptics aren't overlooking any of the bad news that continues to creep in on occasion. Goodall-Sanford, for example, early this week announced it would pass up the common dividend normally declared in September. By the time shareholders finished digesting that news the issue was selling at a new 1953 low of $12, a drop of $2.75 from its closing price of the previous day.

American Smelting & Refining common was also off $2 to a 1953 low of $31.87 on word that it had cut its quarterly dividend payment from 75¢ to 50¢ a share.

You can't even be sure how long some of the sensational gains scored in the past week are going to be available. Take Pacific Western Oil common as a sample. On Tuesday it closed at $43.62, some $4, or 10%, above the low it reached just a week ago. On Wednesday, however, it opened at $40.50, only $1 better. Thus overnight, approximately 75% of its week-to-week gains was wiped out.

• **Money Market**—Investment bankers are much less enthusiastic over the money market than the brokers are over the near-term outlook for stocks. However, they have been encouraged by the relatively stable Treasury market, plus the modest price rise in the corporate bond mart. They were further heartened this week by the excellent reception accorded to a new offering of $35-million New York Telephone mortgage bonds. These were sold publicly on a 3.73% yield basis. The syndicate headed by Halsey, Stuart & Co., Inc. handling the deal was able to close its subscription books in short order. The last similar AAA-rated piece of public financing—the sale of $25-million Consolidated Gas, Electric Light & Power bonds on June 11—was handled on a 3.75% yield basis.



PLEXIGLAS

PLEXIGLAS is used for the letters and background panels of this 12-story-high sign identifying the First National Bank of Temple, Texas . . . and for the faces, letters, and trademarks of 6-foot-diameter signs that mark the locations of hundreds of Tidewater Associated Oil Company service stations in the East.

Your sign will attract the immediate attention of customers—whether it identifies a single building or hundreds of dealer locations—if it has faces and letters made of PLEXIGLAS acrylic plastic.

PLEXIGLAS gives signs striking appearance and excellent legibility. Note the signs shown above. They have the same appearance at night as in daytime, because light from inside the signs is spread evenly over the translucent plastic. They are legible at first glance, because lettering and trademarks are outlined sharply against brilliant but glare-free backgrounds.

As a sign user you want durability, too. PLEXIGLAS acrylic plastic is highly resistant to breakage, and is unique among plastics in its ability to withstand weather.

CHEMICALS FOR INDUSTRY

ROHM & HAAS COMPANY

WASHINGTON SQUARE, PHILADELPHIA 5, PA.

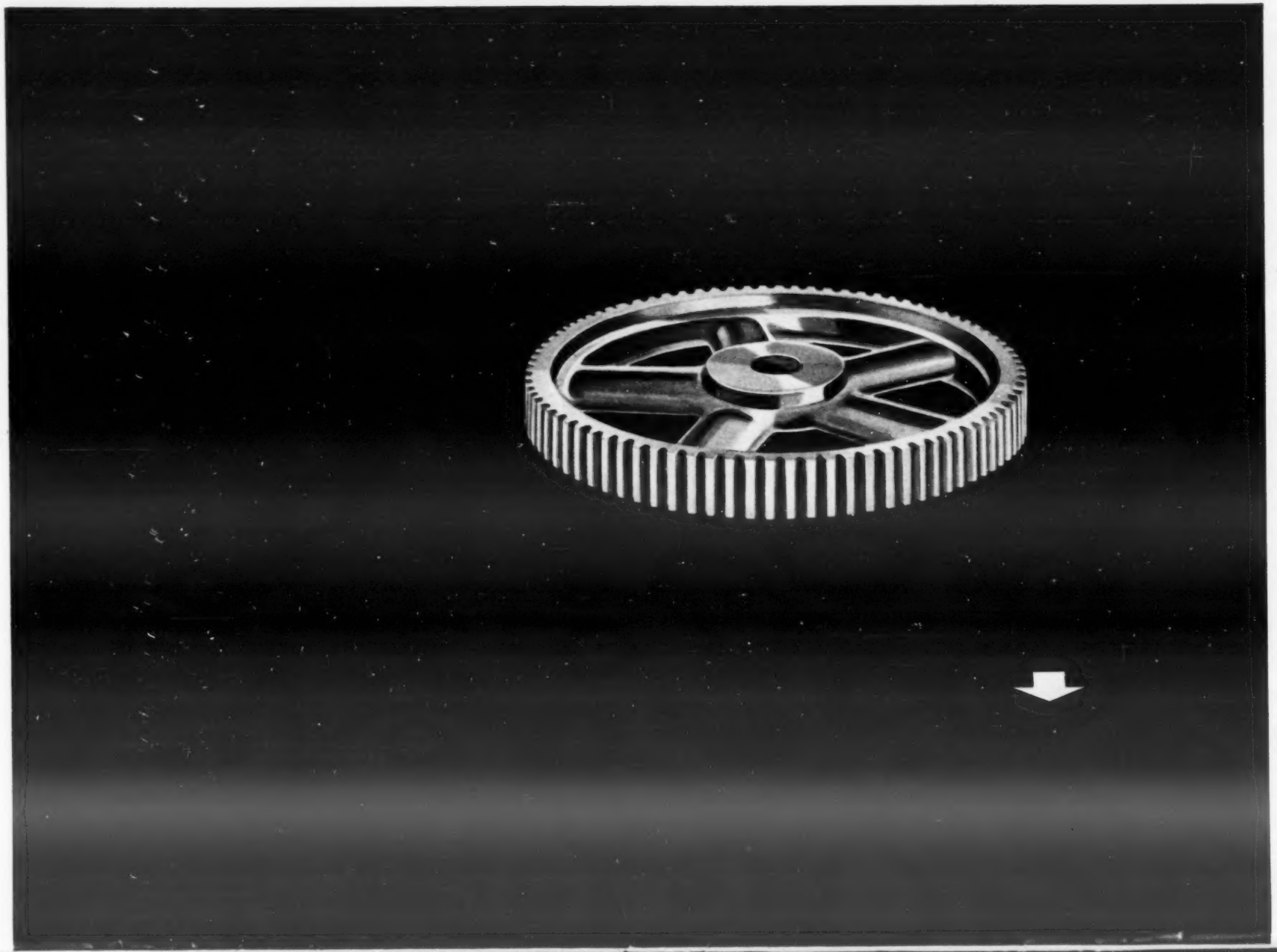
Representatives in principal foreign countries



In your sign program, regardless of its size, the use of PLEXIGLAS will insure full value for your advertising dollar. We will be glad to send you a copy of our brochure, "PLEXIGLAS—The Outdoor Plastic—for Signs", and put you in touch with sign companies who are experienced in using the material.

PLEXIGLAS is a trademark, Reg. U. S. Pat. Off. and other principal countries in the Western Hemisphere.

Canadian Distributor: *Crystal Glass & Plastics, Ltd., 130 Queen's Quay at Jarvis Street, Toronto, Ontario, Canada.*



ANCESTRY UNKNOWN . . .

No one knows who first thought of gears as a means of transmitting power or motion . . . but without them modern civilization could not function.

There would be no clocks, cars or calculators . . . industry would revert to hand production . . . transportation would go back to the horse and buggy . . . household chores would multiply . . . office managers would be seeking mathematical geniuses.

FUTURE UNLIMITED . . .

A gear never works alone. Only when properly meshed can it function efficiently. So, in industry, minds must mesh if progress is to result. Here, in America, engineers, inventors, machinists, toolmakers are geared for great advancement. And their point of contact is America's all-seeing, all-hearing and reporting Inter-Communications System.

THE AMERICAN INTER-COM SYSTEM . . .

Complete communication is the function, the unique contribution of the American business press . . . a great group of specially edited magazines devoted to the specialized work areas of men who want to manage better, design better, manufacture better, research better, sell better, buy better.

COMMUNICATION IS OUR BUSINESS . . .

The McGraw-Hill publications are a part of this American Inter-Communications system.

As publishers, we know the consuming insistence of editors on analyzing, interpreting and reporting worthwhile ideas. We know that businessmen, in order to keep abreast of their jobs, subscribe to—pay for—McGraw-Hill magazines edited for their specific business interests.

And, as publishers, we make the advertising pages of our magazines available to advertisers for featuring the products and services they offer in the interest of increased efficiency and lower production costs . . .

. . . for the editorial pages tell "how" and the advertising pages tell "with what."

McGRAW-HILL PUBLISHING COMPANY, INC.

ABP 330 WEST 42nd STREET, NEW YORK 36, N. Y. ABC

HEADQUARTERS FOR BUSINESS INFORMATION



What's the Biggest Factor





—in buying maintenance paint?

Is it price or is it cost? Is it what you pay per gallon of paint or what you pay for the job?

Obviously it's the cost . . . what you pay for the job. And that is why it pays to paint with Barreled Sunlight. True, you might have to pay a slight premium on the gallon price for Barreled Sunlight . . . but that premium earns a great big bonus in savings on *both* paint and labor.

Barreled Sunlight takes more thinner, as much as one gallon of thinner for every five gallons of paint . . . paint that gives you more square feet per gallon. You buy less paint.

You cut the cost of your paint. But of far greater importance, Barreled Sunlight . . . famous for its bright, clean, solid hiding . . . gives you more yardage. It covers more area per brush stroke . . . goes on much easier and faster. It cuts your labor costs . . . often enough to pay for all the paint used on the job.

Yes, and you can prove these points, to your profit, with a simple on-the-wall test which our representative nearest to you will gladly explain at your convenience. Write and he'll promptly call.



SEND FOR THIS NEW CATALOG NOW . . . For full information on all Barreled Sunlight Maintenance Finishes . . . as well as Barreled Sunlight's new and advanced "Engineered Color" Plan . . . write today on your company letterhead for this new Barreled Sunlight Catalog. No charge. No obligation.

BARRELED SUNLIGHT PAINT COMPANY
1-F Dudley St., Providence 1, R.I.

Barreled Sunlight®
Paints

In whitest white or clean, clear, wanted colors, there's a Barreled Sunlight Paint for every job

For over half a century those who know the best in paints . . . for all types of buildings . . . have strongly insisted on famous Barreled Sunlight

PERSONAL BUSINESS

BUSINESS WEEK
JUNE 27, 1953



We're heading into the peak driving season—July and August. **That means that you would be wise to review the rules of safe driving.** Then make sure you really follow them.

•

It's more important now than ever before to take stock—because more cars will travel more miles this summer. **During the next 60 days, Americans will put close to 100-billion mi. on their speedometers.**

And, in the process, **around 7,000 of them will die** in traffic accidents.

•

You can cut your chances of being in an accident to almost nothing if you don't expect the other fellow to be careful, but take that responsibility yourself. Common sense and good manners on the highway are your greatest safeguards.

Remember that **speed is the No. 1 highway killer.** National Safety Council figures show that "runaway horsepower" caused half of last year's 38,000 highway deaths.

•

How fast is too fast? That depends on the conditions under which you are driving. Sometimes 60 mph. is a safe speed. And sometimes—as on a dark and winding road on a rainy night—20 mph. can be too fast. **Your sense of control of the car should be your guide.** If you have plenty of time to stop in an emergency, you are reasonably safe.

Always watch the distance you keep between yourself and the car ahead. If you're too close and the driver in front of you stops suddenly, you can hit him—and then be hit by the car following you.

Best rule of thumb: **Stay one car-length behind the man ahead for every 10 mph. under good conditions,** farther on wet streets.

•

It's a good rule never to take anything for granted. Don't assume that you know what the other fellow—or his car—is going to do. For example: **Cut your speed in fog; a car ahead may have stalled in the middle of the road.**

And remember this: **Railroad crossings are just as dangerous as ever. It's foolish to depend solely on watchmen, gates, automatic signals. Use your own eyes and ears; don't cross until all tracks are clear both ways.**

•

Use extra caution when driving at night—it's about four times as deadly as daytime driving. The reason is that most people fail to realize how easily they can be deceived by what they see at night. Watch especially the dusky, twilight hours; they take the highest toll in lives.

First rule of night driving is to reduce speed. Many motorists "overdrive" their lights—they drive too fast for the distance they can see.

If an approaching driver doesn't lower his high beams, **don't decide you're going to "fix him"** by throwing your high beams back at him. Lower your beams and keep them down. Otherwise, you may fix yourself: By blinding him, you increase the chances of an accident 100%.

•

Keep your windshield and windows clean. That's especially vital for night driving; dirty glass drastically cuts visibility after dark. It's worth stopping to clean it, rather than waiting until you get to a gas station.

To help you keep from getting sleepy, open the windows, turn up the volume on your radio. If you get too sleepy anyway, pull over and nap.

Courtesy will buy you a lot of safety, day or night. A road-hog may make you mad, but shrug your shoulders and get out of his way; competing with him can be costly. And don't squeeze the reckless passer—let him cut back in line.

•

If your youngster is coming of driving age, you will be wise not to try to teach him yourself. He should have a thorough grounding that you can't give.

American Automobile Assn. says the best method is the high-school driver-training programs. These have highly trained teachers, high educational standards, physical tests, and so on. Many have summer courses.

Watch out for commercial schools that advertise lessons at bargain prices. When your boy gets finished, he may not know enough to pass a driver's test. And he certainly won't know the rules of safety, says AAA.

•

Electrical storms can bring a lot of grief—and cost you plenty of money. It's advisable to check and make sure you have sufficient protection against lightning.

That's especially important if you have a television set. Don't assume that the serviceman grounded your antenna properly—if at all. It can attract lightning readily if it's high on a roof. A direct strike on an ungrounded antenna can ruin your TV set, possibly burn down the house.

•

The TV mast should be grounded by a braided copper wire. Clamp one end to the bottom of the mast, the other to a water pipe at the point where the pipe enters the ground. Run another ground from the lead-in, clamp it to the same or a similar pipe.

•

On other buildings—or your house if you don't have a TV set—the old-fashioned lightning rod is still your best bet.

•

If your youngster's working this summer, remember you get a tax-exemption credit for him as a dependent only if he earns less than $600. That's true even if he costs you over twice that for the rest of 1953.

When he goes over $600, here's what it costs you in added taxes: $252 if your income is $20,000; $318 if it's $30,000; $408 if it's $75,000.

Below the $600 mark, he has no tax to pay—he gets back any tax withheld from his pay by filing a return. What's more, you still have him as an exemption.

•

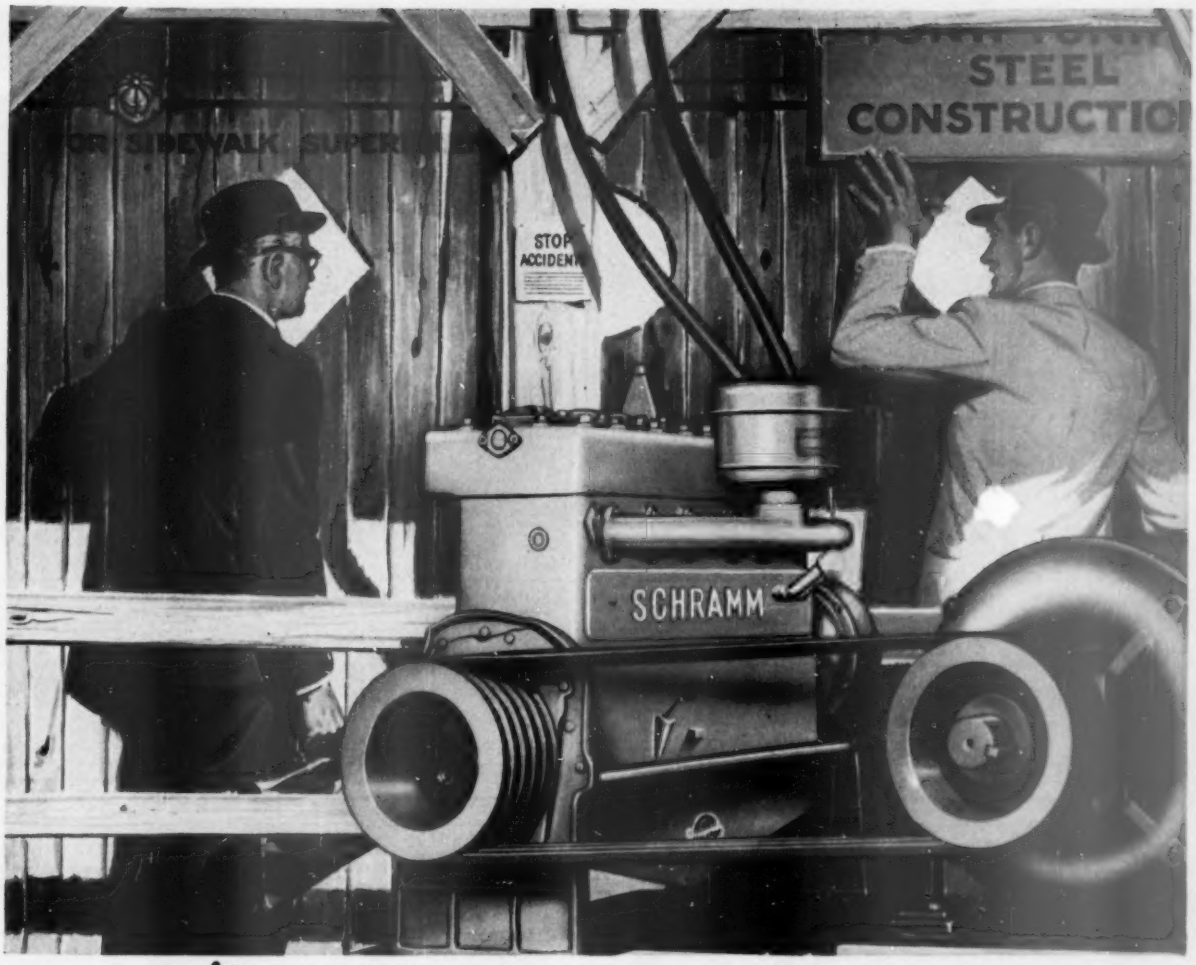
Lefthanded golfers generally have to fend for themselves in learning the game. Pros have little experience in teaching them; none of the 600 golf books solves their special problems.

They can get help now from a book called Golf for Southpaws, by Harry Gottlieb. On sale at all bookstores, it analyzes every aspect of the game from the lefthander's viewpoint.

•

For adventure-story fans: Pennant Books, a new 25¢ paper-bound line just out, features reprints of westerns, mysteries, spy-pursuits.

Contents copyrighted under the general copyright on the June 27, 1953, Issue—Business Week, 330 W. 42nd St., New York, N. Y.



When the air pressure is on, Schramm relies on Gilmer V-Belts

WHEREVER air compressors are used, the name Schramm is known and respected. Often called upon to operate for long periods under adverse conditions, Schramm compressors are built to take it—right down to the GILMER V-BELTS that drive the stationary models and operate the cooling fans of both stationary and portable models.

Like so many other leading manufacturers, Schramm Inc. has for years relied upon GILMER V-BELTS as standard factory equipment on its products.

What more convincing endorsement could any V-belt user ask than the fact that such manufacturers, with proud reputations to uphold, team up with GILMER V-BELTS to assure top performance of their own products!

You'll do well to follow their example. Let your local NYB&P-GILMER Distributor supply all your V-belt requirements—from the heaviest multiple V-belt drive to the lightest fractional horsepower drive. Make sure you get top performance on every drive!

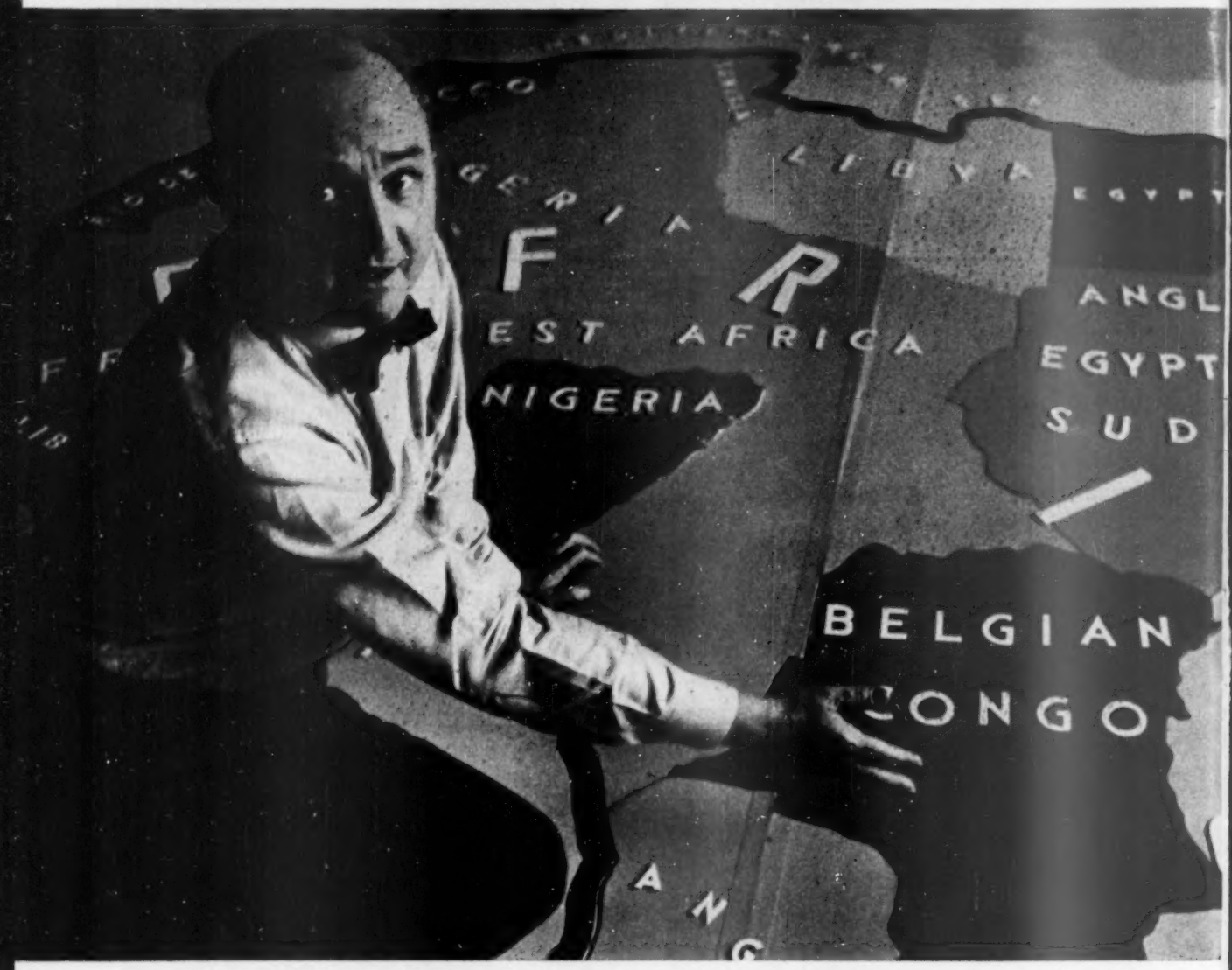
Gilmer **V-BELTS and "TIMING"® BELT DRIVES**

NEW YORK BELTING & PACKING CO. Founded 1846

NYB&P INDUSTRIAL RUBBER GOODS

NEW YORK BELTING & PACKING CO. 1 Market St., Passaic, N. J.

America's Oldest Manufacturer of Industrial Rubber Products



DR. J. FREDERIC DEWHURST, executive director of Twentieth Century Fund, points to vast area of below-Sahara Africa that

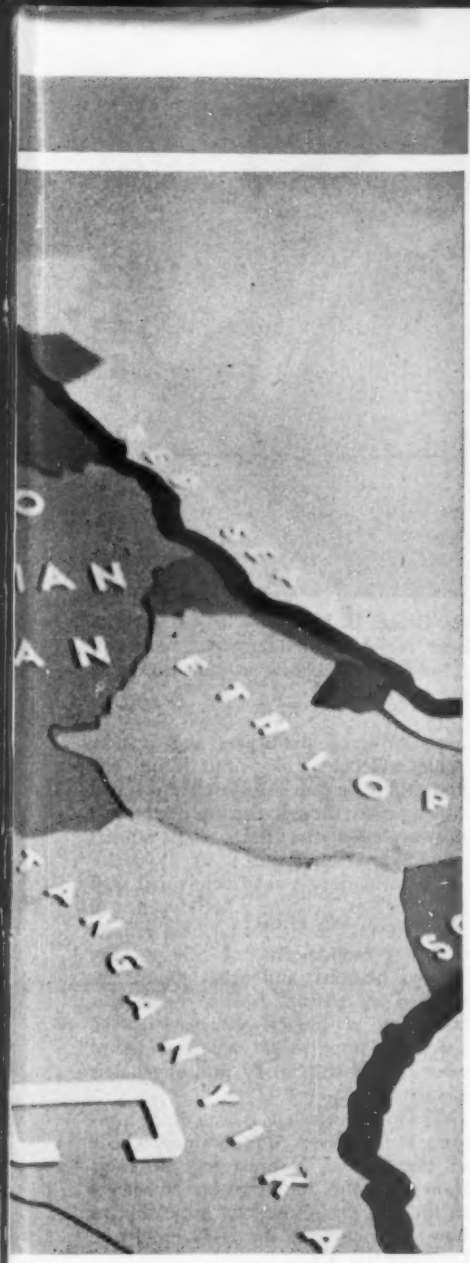
Making a Continent a Research

Africa has economic and strategic importance to America and the rest of the world. From that continent, the United States gets many important metals and other raw materials. Geographically, it is close to both Russia and the Western countries. And Africa is undergoing many changes—with the birth of sovereign powers and with its increasing inclination to do its own thinking.

In the U. S., however, there still is a general ignorance of the geography, economics, and social problems of the African people, particularly those in tropical Africa near the Equator. Few Americans know, for example, that some African territories are run by forced labor; few know of the raw materials available in the Belgian Congo. Yet, most educated Africans now have a very good concept of the U. S. and are not flattered by our ignorance of them.

• **Ignorance**—The Twentieth Century Fund, under its new executive director, Dr. J. Frederic Dewhurst (cover and page 160), wants to dispel some of the ignorance. To achieve its aim, the fund is putting up more than $100,000 for a three-year research project to analyze the geography, economics, social anthropology, and government of Africa. Main hope of the fund is that the research will provide a book of interest to the layman that will help get the facts straight about Africa.

• **What Approach?**—Having decided that more than $100,000 should be spent to make the study the fund faced an obvious problem: Where should the research start? Should a staff of people be sent on an African safari, or should a few people spend a year in a library, or just what should the approach be?

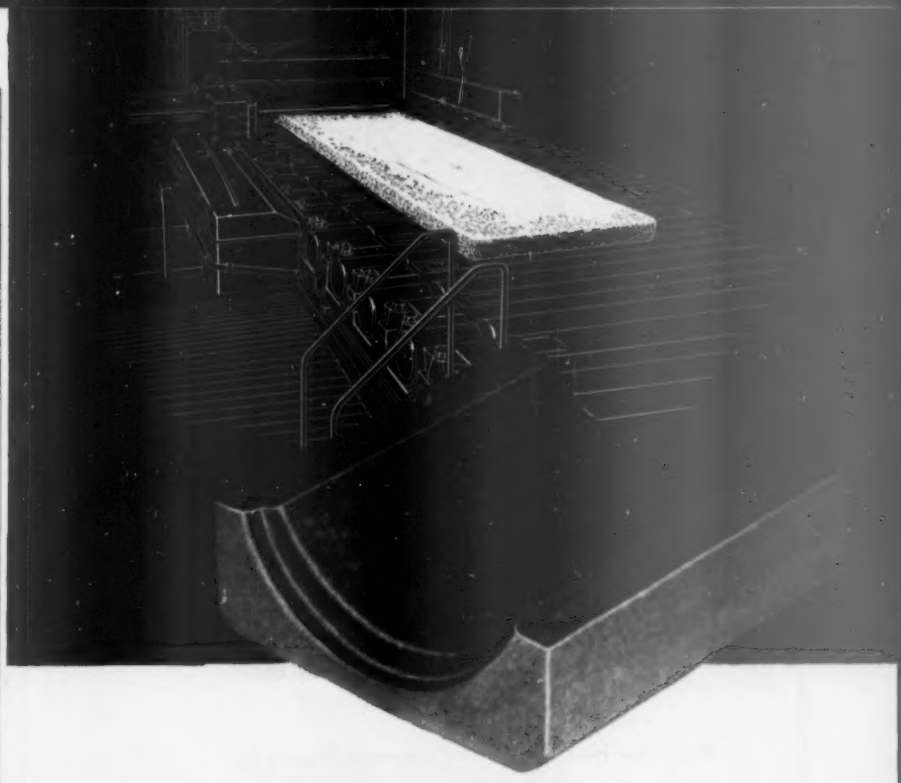


will be surveyed in . . .

Project

To get an answer, Dr. George H. T. Kimble, director of the American Geographical Society since 1950, was asked to write a report on what approach he would take to the research project. Kimble prepared his report so well that he was appointed head of the new project; he will resign his present position to begin the Africa study in September.

Essentially, Kimble's answer was that both the safari and library work were needed. Before anything can be done in Africa, it is necessary to take advantage of all the information that has



Here's what micarta® LAMINATED PLASTICS is doing for steel production!

A leading steel producer wanted a roll-neck bearing material that could cut power costs, increase tonnage and hold more accurate gauge. Now, thousands of MICARTA roll-neck bearings are performing efficiently in steel mills throughout the country.

What can Micarta do for you?

Your problem may be as simple as noise control or electrical insulation. Perhaps you need a material that resists moisture, that is lubricated with water, that is both light and strong, that wears smoothly, slowly. Whatever your problem, your industry, or your application investigate the qualities of versatile MICARTA. For prompt and complete information about MICARTA fill out the coupon below.

YOU CAN BE SURE...IF IT'S Westinghouse

micarta® is basic!

Westinghouse Electric Corporation
MICARTA Division, Trafford, Pa.
Attention: L. A. Pedley
Sir: (Please check one)
☐ Please have your representative call
☐ Please send me the complete facts on MICARTA

Name_____ Company_____
Address_____
City_____ Zone____ State_____
J-06512



Above all...Enjoy Dome Cars on the EAGLES

Even the most seasoned traveler is sure to *sit up* and take notice . . . way up in the luxurious Planetarium-Dome coaches of Mo-Pac's famed EAGLES. What a way to see the West-Southwest . . . at its best!

THE TEXAS EAGLES. *Planetarium-dome coaches* between St. Louis and Dallas, Fort Worth, Austin and San Antonio.

THE COLORADO EAGLE. *Planetarium-dome coaches* between St. Louis, Kansas City and Pueblo, Colorado Springs, Denver daily.

THE MISSOURI RIVER EAGLE. *Planetarium-dome coaches* between St. Louis, Kansas City and Omaha.



Mealtime magic *on the move*

For a savory snack or a delicious dinner . . . enjoy MO-PAC's famed "Silver Platter" Diner Service. Especially selected fresh fruits, vegetables, and meats . . . prepared to your order by expert chefs, served by courteous waiters . . . with a side order of scenic surprises!

R. J. McDERMOTT
General Passenger Traffic Manager
1601 Missouri Pacific Bldg.
St. Louis 3, Missouri

MISSOURI PACIFIC LINES



Dr. George H. T. Kimble, who is going to head the Africa project, says, "Africa is ignored in the schools and side-tracked in the colleges."

been gathered by others and is now being collected. The fund is not the first group to plan a research project in Africa, even though the fund's project may be one of the largest single studies ever undertaken there.

• **Preliminaries**—A relatively small staff of specialists, perhaps a half-dozen, can spend several months analyzing reports of other foundations, of colleges, the United Nations, and other groups interested in African studies. From this collection of library information, the specialists hope to get a better idea of what they should study, and of what is lacking.

Finding out what is available, however, is not easy. A preliminary check of the United Nations, for instance, shows that no single group or agency in the U. N. can give any indication of how many projects the U. N. might be financing in Africa.

Also, most of the information gathered so far has been collected by Europeans, who have shown a much greater interest in exploration and continent research than Americans. In various foundations and colleges all over Europe there are bits of information that would save the fund's project time and trouble. Gathering this information is the first big job.

• **Boundaries**—The size and diversity of problems in Africa have led Kimble to another decision. A preliminary study of the continent indicates it is not the Mediterranean Sea that separates the culture and problems of Africans from those of the rest of the world. Northern Africa, even in earliest times, was part of the Mediterranean world and drew its culture and contacts from Europe and the Near East. It is



YOU WILL FEEL BETTER . . .

No need to toss and turn on "sticky" nights!

York wrings sleep-robbing humidity from the air! You wake refreshed!



LOOK BETTER . . .

Heat drains off family energy and humor . . .

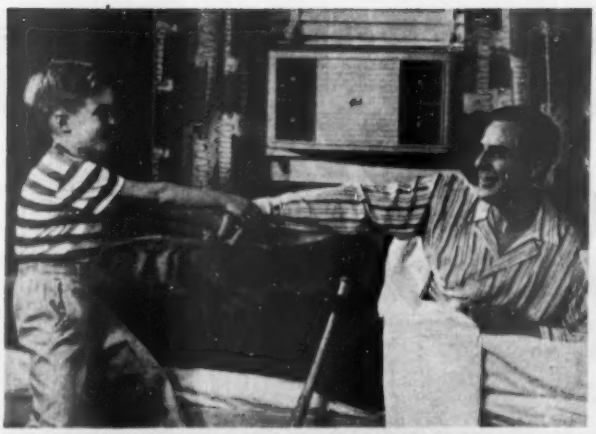
York cools without chilling on hottest days! Gives you "bounce"!



BE BETTER . . .

Dust, dirt, soot, smoke add to household chores!

York filters the air . . . cuts cleaning time! Gives leisure time!







NOW—COOL OR HEAT WITH YORK!



York's amazing Heat Pump* warms on brisk spring and fall days . . . saves fuel! York circulates, ventilates with clean, tempered air all year.

SWITCH TO COOLING OR HEATING AT WILL!

*Heat Pump available on ½ and 1 horsepower models.



There are 14 beautiful, decorator-styled and tested York Room Air Conditioners from which to choose.

with a York Room Air Conditioner!

You'll do better with a York because York has more experience in building room air conditioners—York will produce its half *millionth* unit this year. It's *easy* to buy a York Room Air Conditioner. For better health and comfort, year after year, see your York Dealer today. Or write York Corporation, York, Penna.

York

AIR CONDITIONING AND REFRIGERATION
HEADQUARTERS FOR MECHANICAL COOLING SINCE 1885

SCALES CONTROL COSTS

Check your needs now!



Production-wise and cost-wise . . it makes good cost sense to be sure you have enough scales—and the right scales—throughout your plant today!

A scale survey by your nearby Toledo office will supply this information for you—without obligation. It will point out *proven ways* to solve your problems in weighing, checking, testing, counting, batching, force-measuring and other operations . . . with a modern Toledo! Learn how Printweigh can stop the losses that occur through human errors. It will pay you to get in touch with your Toledo office—in the phone book in 200 cities. Or write for bulletin 2020, a condensed catalog of modern Toledos. Toledo Scale Company, Toledo 1, Ohio.



SERVICE
Factory-Trained
306 Cities

TOLEDO®

HEADQUARTERS FOR SCALES

the Sahara Desert that's the line of demarcation.

Since the African countries bordering the Mediterranean have taken their culture from abroad and are much more well known and understood than central Africa, Kimble thinks his money can be better spent by concentrating on the area south of the Sahara. This area looks within itself rather than abroad for its culture. Even eliminating north Africa, the project still has to study an area nearly three times the size of the United States, with about the same population, and politically divided into 23 parts.

For the same reasons that northern Africa is to be treated lightly by the project, the Union of South Africa will probably get a light going-over. South Africa also has drawn much of its culture from abroad. It lies mostly in a temperate zone, and is much better known than the interior countries.

• **Free Nations**—A problem that Kimble still has to solve is what to do about the independent nations such as Ethiopia and Liberia. These countries certainly may offer a clue as to the direction the African colonies would take if they gain independence. Yet the problems and life in self-governing countries are obviously different from those in the colonies that make up most of Africa.

After the fund's small staff has studied available material, its members will leave for their safari. To get proper orientation, all leading staff members will spend three months in Africa.

Kimble feels that he himself will have to make two jaunts to Africa during the project. He plans to accompany the staff when it makes its orientation trip early in the project. Then he feels that he will have to go back again when he starts to write the book that is to be the final report of the study. The second trip will be used to spot check information gathered and to make sure that, as reports from various areas are combined, misinterpretations do not creep into the text.

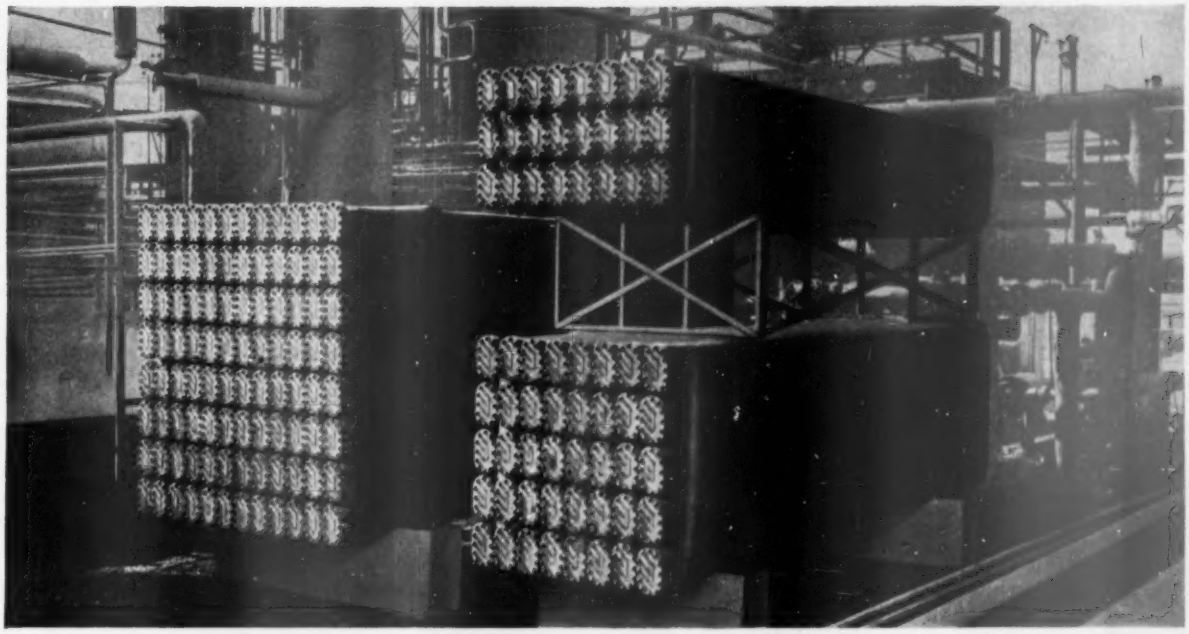
• **Outside Help**—In addition to the small permanent staff that will assist Kimbel, many consultants will be used. Specialists in various areas of Africa may be called in from time to time or people with knowledge of special problems may be asked to write reports.

The ease of finding consultants has been the biggest and most pleasant surprise of the early planning. When word of the proposed study was released, a flood of letters started pouring into the fund's office. Fulbright scholarship students in Africa, missionaries, heads of other projects, and many others who have recently been to Africa or planned trips haved been offering assistance.

For example, one woman, who had

Six Reasons Why

you should specify



BROWN FINTUBE *Sectional* HEAT EXCHANGERS

FLEXIBILITY: If plant requirements change — and this is not uncommon — a "bank" of Brown Fintube heat exchanger sections can be disconnected and reassembled in different series-parallel arrangement easily and on short notice. "Bundle type" exchangers are not flexible. For them a change in duty usually involves designing — and waiting — for a whole new unit.

NO OBSOLESCENCE: Brown Fintube Sections never become obsolete. They can be used in one exchanger after another. Sections not in use serve as "standby" or parts, for other sections on stream.

REDUCED FOULING: Brown Fintube sections transfer more heat per lineal foot at lower surface temperatures. This minimizes coking. Also the longitudinal passages control the material flow eliminating eddies and reducing fouling.

EASY CLEANING: reduces maintenance costs. By manifolding just one extra parallel stream into an exchanger, the entire unit can be operated continuously — always clean — without ever coming off stream.

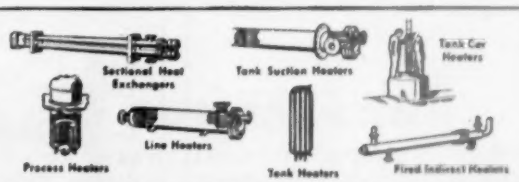
REDUCED STORES: Avoids tying up thousands of dollars in spare parts, housing and handling them.

PROMPT DELIVERY: Standardization permits economical assembly line manufacture from standardized parts — and prompt delivery.

If you heat — or cool — liquids or gases in your plant, you'll get a lot of ideas from our Bulletin No. 512. Send for a copy!

BROWN FINTUBE
HEAT TRANSFER PRODUCTS

BROWN FINTUBE CO.
Elyria, Ohio



NEW YORK • BOSTON • PHILADELPHIA • PITTSBURGH • BUFFALO • CLEVELAND • CINCINNATI • DETROIT • CHICAGO • ST. PAUL • ST. LOUIS • KANSAS CITY
MEMPHIS • BIRMINGHAM • NEW ORLEANS • SHREVEPORT • TULSA • HOUSTON • DALLAS • DENVER • LOS ANGELES • SAN FRANCISCO • and ST. THOMAS, ONT.

How to select a

FORMULA PLAN

Increase capital and yield—achieve a *safer—surer* investment program



THIS investment guide brings you a thorough understanding of formula plans and their use in an investment program. Important features of major types of plans are explained—fundamental assumptions, general operational features, buying and selling action, yield and capital appreciation, understandability, risks, and opportunities. You are shown basic differences—how to modify plans without weakening their framework. You get advice on initiating a plan, administering it economically, keeping it active along safe, profitable lines.

Just Published!

INVESTMENT TIMING:

THE FORMULA PLAN APPROACH

By **C. Sidney Cottle** and **W. Tate Whitman**
Professor of Bus. Admin. *Professor of Economics*
Emory University

200 pages, 6 x 9, 43 charts and graphs, 19 tables $5.00

Analyzes fully, clearly:

- **Constant-ratio**
- **Norm-type variable-ratio**
- **Non-norm variable-ratio**
- **Constant-dollar**
- **Dollar averaging**

including variations of these basic types of formula plans as follows:

Birmingham Plan
duPont Plan
Fund Management Plan
Keystone Plan
Oberlin Plan
Vassar Plan

as well as plans used by three life insurance companies.

THIS new book gets down to essentials, critically analyzing procedures, assumptions, and principles that are the bases of formula plans. It tells you how to step up yield or capital appreciation of your holdings, reduce risks, lower administering costs. Throughout, it furnishes clear answers to your questions on how to select a formula plan that fits your investment program.

You examine all types of formula plans — get precise, up-to-date, clearly stated facts on stock-price cycles, market appraising, historical testing, and other basic considerations. You cover all of the factors you should consider in analyzing formula plans in determining action intervals, in making any decision relative to your investment dollar once your plan is operative.

—SEE THE BOOK TEN DAYS FREE—

McGraw-Hill Book Co., 330 W. 42 St., NYC 36

Send me Cottle and Whitman's Investment Timing for 10 days' examination on approval. In 10 days I will remit $5.00, plus few cents for delivery, or return book postpaid. (We pay for delivery if you remit with this coupon; same return privilege.)

(Print)
Name .....

Address .....

City .....Zone.....State.....

Company .....

Position BW-6-27

This offer applies to U. S. only

been studying some of the social problems of women in Africa, asked Kimbel how much he planned to study the problems of women. He admitted that, as a man, he hadn't even thought about it. She offered to submit papers from her work, and to be available to help with this part of the project.

• **Summing Up**—The final book is not the only thing that the fund wants to get from the project. Various reports may be published while the study is in progress, and there are hopes that an accurate atlas of African resources, social movements, and other major factors may be prepared.

The main result of the project, however, may be information on how such a huge study should be undertaken. Previously, the fund has financed studies of Brazil, Turkey, Costa Rica, and Greece. But all those reports were primarily economic, while the African study is much broader and is an indication of changing emphasis within the fund.

New Course, New Pilot

Twentieth Century Fund, set up by Edward A. Filene 34 years ago, gets a new director. And there's a new restlessness in the air.

For the scholarly Twentieth Century Fund, this was a week of unprecedented change. In all the 34 restless years since it came into being, the fund has had but one executive director. This week came word of the retirement of that director, Evans Clark, and the appointment of a new operations chief—58-year-old economist J. Frederic Dewhurst (cover), who will take office Aug. 10.

The changing of hands, to those close to the fund, is occasion for more than nostalgia. For many it marks one more stage in an evolution—both in personnel and in policy—that has been underway in the last few years. This evolution has already altered the fund's role; it seems likely to change it even more in the years ahead.

• **What Is It?**—The highly respected Twentieth Century Fund is the creation of a man whose views frequently won little or no respect from the business community. Edward A. Filene, Boston merchant, originator of the famed Automatic Bargain Basement, was a contentious man, generally labeled a liberal and often denounced as a radical (he was, for instance, an ardent sponsor of cooperatives, an early campaigner for the League of Nations, and a supporter of Franklin Roosevelt's New Deal).

Yet even his enemies admitted that Filene was a man of kinetic brilliance and, at times, of vision. And it was this vision that led in 1919 to the setting up of the Twentieth Century Fund (original name: The Cooperative League).

Filene's biographer, Gerald W. Johnson (Liberal's Progress, Coward-McCann, 1948), has said that the older Filene grew, "the less inclined he was to rejoice in the triumphs of our civilization and the more inclined to deplore its collisions, retractions, withdrawals, all its multitudinous mistakes. To retrieve one's errors is excellent, but it is better not to err in the first place." It seemed to Filene that the best contribution he could make to his time was not to add to the bedlam of action, but to consideration.

• **Goal**—That was, perhaps, his main aim in setting up the Twentieth Century Fund—consideration. Its purpose, in the dry language of its 1924 certificate of incorporation, was "promoting the improvement of economic, civic, and educational conditions (using) any means to such ends . . . including study, investigation, research, publication, instruction . . . and the aid of any such activities."

Filene's original gift to the fund was about $400,000 in preferred stock in William Filene's Sons Co. Later he set aside in trust a large bloc of Filene common—worth about $5-million at the time—the income from which went to the fund (the principal passed to it at Filene's death in 1937). Although Filene created something of a long-range renaming problem for the fund, he did not—as is fairly commonly supposed—specify that the money had to be spent within the 20th century.

• **Grants**—For roughly 10 years, Filene and the fund's trustees—among them Newton D. Baker, James G. McDonald, Roscoe Pound, Henry S. Dennison, John H. Fahey—met once a year to make grants to outside organizations. This policy of backing outside research changed over the years, but it was not until 1937 that it was generally abandoned in favor of using fund income solely for fund work.

Through its early years the fund's administration was handled by Filene's private secretary. In 1928, though, the trustees hired Evans Clark as director and took the first step toward creating a permanent operating staff. One of Clark's assignments was to survey the work of other foundations to see which fields of research were covered best,

which still cried for attention. The finding was that economics was pretty much a poor relation.

• **Concentration**—By stretching the definition, the field of economics has been the fund's province ever since. Not until very recently has there been a noticeable willingness to break outside its boundaries.

Much of the fund's work has reflected Filene's thinking—even though there is no evidence that he tried to dictate what it would, and would not, do. The fund's first published study—Financing the Consumer, which Evans Clark authored—was the direct product of Filene's interest in consumer debt and the credit-union movement. So, too, with the monumental Does Distribution Cost Too Much?, published in 1939 and written by Dewhurst and Paul Stewart. It, as Dewhurst says, was "Filene's baby," the extension of a lifetime belief in volume merchandising and reduction of unit costs.

• **Record**—All told, by the end of last year the fund had completed, or nearly completed, 32 major projects, which had resulted in the publication of 45 hard-cover books. Taken together, they show a certain pattern—an emphasis on research in the fields of labor-management relations, public and private debt, monopoly and antitrust policy, distribution, old-age security.

Probably the most famous of all fund publications has been America's Needs and Resources, written by Dewhurst and his staff and published in 1947. A massive examination of the postwar U. S. economy, it sold close to 22,000 copies and is now being revised and rewritten.

The annual cost of all this research and the fund's sizable spending for dissemination (Filene's dictum was to do more than find facts, "get those facts out to the people") has climbed from $160,000 in 1935 to more than $600,000 last year. It is only in the last two years, though, that the fund has spent more than it took in. Meanwhile, its assets have climbed to more than $10.1-million.

• **Controversy**—In choosing projects, the fund's board has tried to pick out what it thought the most important economic problems and issues of the day. Many of these have been highly controversial, and the fund, at times, has been attacked by the extreme right and left. Yet, through it all, there has been remarkably little damage to its reputation.

It has been spared partly because of its formula for operations. Neither the trustees, nor the fund, assumes responsibility for any report. Once the board has decided on a project, it picks a qualified research director and staff. He finds the facts and takes responsibility for them. Then, since the fund is

behind every SUNDSTRAND installation...a Cost Cutting "Engineered Production" Analysis



Look at Your Machine Tools When Profits are Threatened Todays profit protectors are machines embodying *modern methods of processing.* In milling and turning operations, Sundstrand engineers will be glad to help you determine the most profitable method and machine for your plant. There is no obligation for this Engineered Production Service.

Additional Information

This new folder explains Sundstrand "Engineered Production" and what you can expect from its application to your metal working problem. Write today. Ask for bulletin BW 332.



SUNDSTRAND

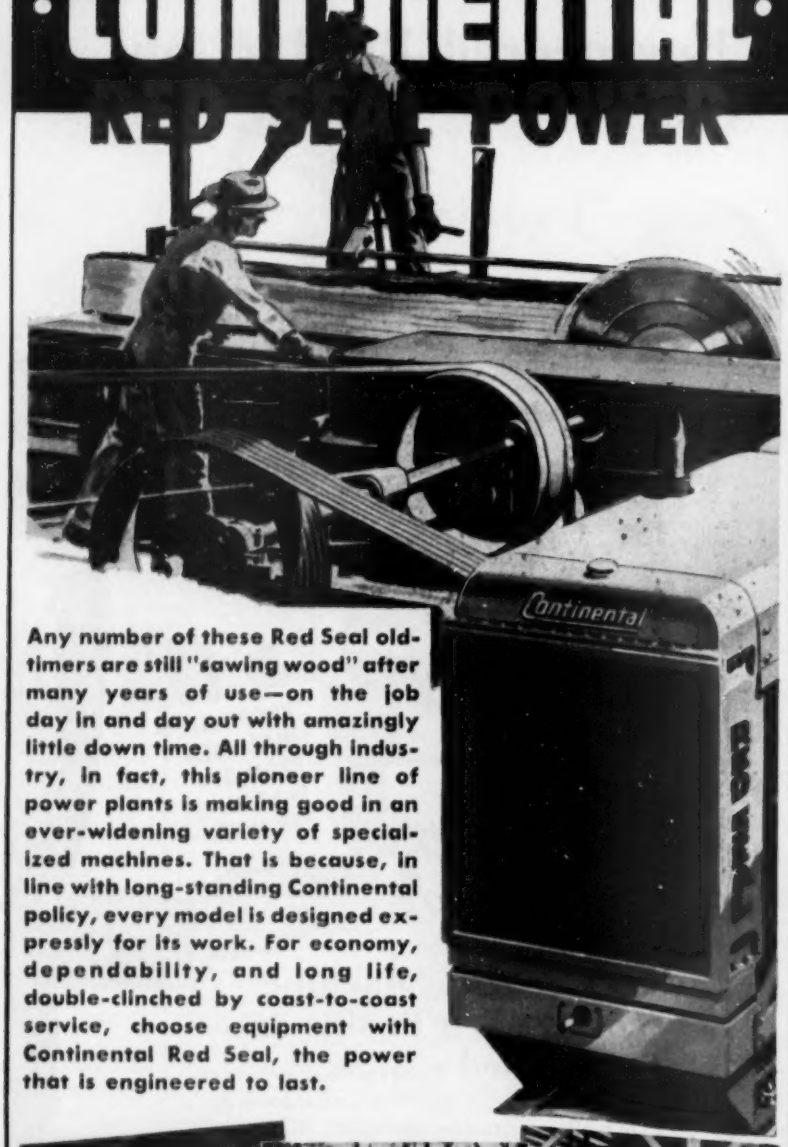
SUNDSTRAND MACHINE TOOL CO.

ROCKFORD, ILLINOIS, U. S. A.

ENGINEERED TO LAST

·CONTINENTAL·

RED SEAL POWER



Any number of these Red Seal old-timers are still "sawing wood" after many years of use—on the job day in and day out with amazingly little down time. All through industry, in fact, this pioneer line of power plants is making good in an ever-widening variety of specialized machines. That is because, in line with long-standing Continental policy, every model is designed expressly for its work. For economy, dependability, and long life, double-clinched by coast-to-coast service, choose equipment with Continental Red Seal, the power that is engineered to last.



Continental Motors Corporation

MUSKEGON, MICHIGAN

interested in exploring possible remedies and solutions, it picks a separate committee made up of experts in the field. These people—representing various interests and views—examine the facts and try to work out a recommended course of action. The hope is that the committee will not recommend some utopian goal, but will confine itself to what Filene used to call "the next step forward." The committee signs this report, and, again, the fund takes no responsibility for it.

• **Change**—In the last year or so, there have been definite signs of restlessness at the Twentieth Century Fund. Some of this undoubtedly traces from the new board chairman, Adolph A. Berle, Jr., and from the fact that the last of Filene's close associates on the board is now dead (Henry S. Dennison, who died a year ago). More of it probably results from the present state of economic research; the field is now extensively covered by both governmental agencies and by other private agencies or groups.

In any event, the board seems ready to reexamine fund policies, to ask whether once having done something well there is any point in doing it again. That the fund is prepared to expand into new areas has already shown up in its decision to launch a three-year study into the effects of the military, and military considerations, on over-all U. S. policy. This will get it well out of the field of economics and into the social and political areas. The same is true of the Africa study (page 154), which will involve it in both sociological and anthropological research.

The timing of the shift in executive directors coincides with these over-all policy changes. Though Dewhurst and Clark have worked closely together since 1933, it would be naive to assume that the two see eye-to-eye on all phases of fund operation. For one thing, Dewhurst is primarily a research man; Clark has always put heavy emphasis on broadcasting results of the studies. It seems inescapable that the new director will bring new accents to certain phases of the job.

Dewhurst actually began working with the fund in 1932, although he didn't come on its staff until a year later. The son of a Seattle merchant, he graduated from the University of Washington as a chemical engineer, later switched his field to economics. He taught at the University of Pennsylvania, took his doctorate there, and in 1930 went to the Commerce Dept. as chief of its economic research division (he initiated Commerce's national income studies). His first job for the fund was to work on the survey aimed at lining out its areas of operation. A year later he became its economist, a job he's held ever since.

"a Way of Life and you can have it FREE!"



Perhaps it will never be among the assets on your balance sheet, but when a way of life contributes to employee efficiency and happiness—and helps you operate your business more profitably—then it becomes a decided asset, invaluable to your success.

The way of life prevailing in West Penn Electric's service area constitutes a "good will" asset of the many business firms and industrial plants located there. This area in five states embraces hundreds of small, friendly communities where living and working conditions are pleasant and progressive.

Because it's part of small-town life to be proud of local industries, employers in our service area receive the cooperation of workers—and workers enjoy the comfortable way of living characteristic of small-town life.

Are you considering a new office, plant or laboratory? Our "check list" provides a simple way of defining your needs. Write or phone Area Development Department of The West Penn Electric Company, Room 906, 50 Broad Street, New York 4, N. Y. (WH 4-3740).



West Penn Electric System

Monongahela Power Company • The Potomac Edison Company • West Penn Power Company

Three grateful people say: "we're HERE... because you were THERE!"



Communist machine-gun fire dropped him in combat. But whole blood kept him alive, saw him through the hospital. He thanks you for his life.



She'd been exposed to polio. A new serum, Gamma Globulin, made from blood, helped ward off the dread disease. She thanks you for her life.



A tornado whipped suddenly across her home town. She was badly injured by falling debris. But a quick operation, several transfusions pulled her through. She thanks you for her life.

Each one of these people is alive today because someone gave blood.

If you've given blood before, you know how easy it is—how quick and painless. And you know what a wonderful feeling it is when you realize that what you've done may give another person his life.

Now you are asked to give blood . . . again and again. And you can do it safely every 3 months.

Because America's need for blood has increased enormously—for our armed forces, for accident and disaster victims at home, for new disease-fighting serums.

Many a life hangs in the balance! Will you help? Call your Red Cross, Armed Forces or Community Blood Donor Center today!

BUSINESS EXECUTIVES CHECK THESE QUESTIONS

If you can answer "yes" to most of them, you—and your company—are doing a needed job for the National Blood Program.

- ◯ HAVE YOU GIVEN YOUR EMPLOYEES TIME OFF TO MAKE BLOOD DONATIONS?
- ◯ HAS YOUR MANAGEMENT ENDORSED THE LOCAL BLOOD DONOR PROGRAM?
- ◯ HAS YOUR COMPANY GIVEN ANY RECOGNITION TO DONORS?
- ◯ HAVE YOU INFORMED EMPLOYEES OF YOUR COMPANY'S PLAN OF CO-OPERATION?
- ◯ DO YOU HAVE A BLOOD DONOR HONOR ROLL IN YOUR COMPANY?
- ◯ WAS THIS INFORMATION GIVEN THROUGH PLANT BULLETIN OR HOUSE MAGAZINE?
- ◯ HAVE YOU ARRANGED TO HAVE A BLOODMOBILE MAKE REGULAR VISITS?
- ◯ HAVE YOU CONDUCTED A DONOR PLEDGE CAMPAIGN IN YOUR COMPANY?
- ◯ HAVE YOU SET UP A LIST OF VOLUNTEERS SO THAT EFFICIENT PLANS CAN BE MADE FOR SCHEDULING DONORS?

Remember, as long as a single pint of blood may mean the difference between life and death for any American . . the need for blood is urgent!

NATIONAL BLOOD PROGRAM

GIVE BLOOD

...give it again and again

Questions Loom on Basic Research

A FEW WEEKS AGO, Charles E. Wilson, Secretary of Defense, appearing before a Senate Appropriations subcommittee, said, "As a military project, I am not much interested in why potatoes turn brown when they are fried."

Secretary Wilson may have been right about potatoes, but he also said, "If we want to go ahead and have pure research, let us let somebody subsidize it. Let us not put the burden of it on the Defense Dept."

In these few statements, the Secretary of Defense brought up again some fundamental questions that have been plaguing the United States since World War II: How much basic research should be carried on? Who should do the research? Who should pay for the research?

VERY FEW COMPANIES would argue that basic research is unnecessary. Most of them have had ample proof that they benefit from it. But they want someone else to foot the bills for the projects.

Prior to World War II, much of the pure research was carried on in Europe, particularly in Germany (BW—Jun.13'53,p120). European scientists carried on many studies just to learn something—not necessarily to get a new or better product. The rest of the world sat back and waited for the scientists to publish their findings, then tried to put them to practical use.

The significance of this dependence on European basic research showed up again recently. In the past couple of months, as the economy of the U.S. showed signs that it might swing toward peacetime production, companies again began a search for new products. Demands for German research reports, brought to this country in 1945, have taken a sharp rise. Apparently, many American companies have found that reports on basic research carried on a decade ago in Germany are still the most up-to-date sources of such information.

DESPITE THIS DEPENDENCY, the U.S., of course, has not been completely inactive in the pure research field. Colleges and universities have been trying to handle more than their share of basic research. But schools need financial support for their projects. In many cases—but not enough cases—this financial support has come from companies that realize the long-range benefits of fundamental research. For instance, the new Institute of Silicate Research at the University of Toledo is drawing support from five companies that stand to gain from advances in silicate chemistry (BW—Jun.13 '53,p120).

And many large companies that can afford the gamble are willing to support a basic research project for years, hoping that it may someday give them a practical product. Westinghouse Electric Corp., for example, has spent 15 years exploring basic questions about extremely cold temperatures (BW—Jan.17'53, p159).

Regardless of the recent statements of Secretary Wilson, the government also is supporting much basic research. The National Science Foundation was established in 1950 to carry on pure research, but it hasn't always been given the appropriations needed to do its work. The Atomic Energy Commission and other government groups are also supporting basic research.

BUT THE QUESTIONS STILL ARE: **how much, by whom,** and through what type of financing? The recent report on scientific and engineering manpower presented to President Eisenhower by the National Manpower Council (BW—May23'53,p29) points out that fewer than 15,000 men in the United States are spending their lives in fundamental scientific research.

When it is realized that every practical scientific advance must stem from principles developed from fundamental research, it is startling to know that only one person in every 10,000 in this country is working on basic developments.

Greater support of colleges and private laboratories carrying on basic research is needed to assure a continual flow of scientific reports to be used for future inventions.

GUARANTEED
21% Greater Work Output per K.W.H. of Battery Power
Mercury
YAK 430



Tiering Tilting 4,000 lbs. Capacity Fork Truck

Greater Maneuverability Lower Cost Operation

Test the new YAK 430 in *your* plant! Learn from on-the-spot performance how the YAK GUARANTEES greater work output per K.W.H. of battery power. Higher travel and hoist speeds, greater maneuverability, outstanding convenience of controls assure reliable, low-cost operation.

Write for Bulletin 430. Contains complete details and specifications.

MERCURY MANUFACTURING COMPANY
4146 S. HALSTED ST., CHICAGO 9, ILL.

clues: TO THE SOLUTION OF MANAGEMENT MEN'S PROBLEMS.

Published every week—closes 12 days in advance. Rate—$5.00 per line ($2.50 per line for positions wanted ads), minimum 2 lines. Allow 5 average words as line; count 2 words for box number. Write for special rates for Business Services advertisements. Address box number replies c/o BUSINESS WEEK to the office nearest you. NEW YORK, 330 W. 42nd St., CHICAGO, 520 N. Michigan Ave., SAN FRANCISCO, 68 Post St.

EMPLOYMENT

Positions Vacant

District Chief Clerks Due to rapid expansion, two new positions are available in New Mexico and Arizona. Must have customer accounting experience with a utility firm. These positions involve responsibility for a group of offices. Age to 40. We are a natural gas utility company engaged in production, transmission, and distribution in four states. We offer a full program of employee benefits. Apply by mail to: Southern Union Gas Company, Burt Building, Dallas, Texas. Attn: Mrs. Singer.

Director of Public Relations National Manufacturer's Trade Association seeking experienced public relations man having initiative, imagination, ability to write articles publicizing industry's products to consumers, builders, architects and other users. Knowledge heating preferable but not essential. Submit full details, experience and references. P-8302, Business Week.

Positions Wanted

Assistant Personnel Executive large Company or Personnel Manager small Company. PW-8301, Business Week.

Advertising Director. Excellent record with 3 Blue-Chip companies. Seeks position in East. Thoroughly familiar with consumer, trade, industrial advertising & promotion; all media. Former copywriter, married, Presbyterian, university graduate, in late forties. Now well employed administering large department with $1 million-plus budget. Salary required $25,000 —15% over 1952. PW-8300, Business Week.

Selling Opportunities Wanted

Aggressive well organized sales engineers with thoro coverage industrials, utilities, contracting engineers, in N. Y., N. J. area. Desires additional electrical line. RA-8251, Business Week.

Manufacturer's Agent in Chicago wants electrical and hardware lines. RA-8294, Business Week.

Canadian Engineer selling mechanical equipment to Ontario Industry seeks additional line. RA-8055, Business Week.

Washington Representative Available for Additional Accounts—20 years experience in Selling to the Federal Government. Contracts, Specifications, Priorities and Financing. James F. Hardy, Barr Bldg., Washington 6, D. C.

Manufacturers Representative — Indiana Territory. Two exp. Sales engrs. want to represent mfr. of engineered industrial products in the Indiana area. Opening Indpls. office in August. Both men thoroughly experienced at handling all classes of indust. trade in this area. Does your company need local office—competent engr. service—aggressive sales effort? Contact us! RA-8284, Business Week.

Company with well established railroad sales contacts and technical staff wants additional lines in the Diesel Locomotive Equipment, Maintenance and Supply fields. Bares Company, 7120 Carnegie Avenue, Cleveland 3, Ohio.

Representative traveling Texas and surrounding territory, has permanent showroom, wants Gift, Housewares, Stationery, or other specialty line. C. T. Chapman, 325 Merchandise Mart, PRospect 1718, Dallas.

SPECIAL SERVICES

Need Translations? Any language. House organs. Sales letters. Manuals. Catalogues. Advertisements. Scripts. Technical material a specialty. Write Overseas Business Services, McGraw-Hill International Corporation, 330 W. 42, N.Y. 36, N.Y.

Keep abreast of the important reports, studies, and publications being released by the U.S. Government through 2 to 4 page condensations. Over 1000 publications digested each year. Designed for the busy business man. Only $25 a year for this weekly service. Documents Digest, Box 453, Arlington 10, Virginia.

Export Sales & Management Consultant avail-able to two selected firms. 19 years industrial background. SS-8280, Business Week.

EQUIPMENT

For Sale

Generators, transformers, motors. New and Re-built, World's Largest Inventory, 1 HP to 5,000 HP, stock shipment. "Cash for Surplus". Electric Equipment Co., Rochester, N. Y.

Thomas Collators save 40% to 70% in cost, time, and personnel. Speedily, easily, and accurately gather duplicated forms into 2 to 16 page sets. Portable and floor models, mechanical and electrical, for all needs. Write for free folder 112, free collating analysis sheet, and name of nearest Thomas dealer. Thomas Collators, Dept. L, 30 Church St., New York 7, N.Y.

BUSINESS OPPORTUNITIES

Profit Opportunity for lifetime business. Start a Venetian Blind Laundry. New Machine. You can aim at a first year $15,000 profit. L. C. Co., 442 N. Seneca, Wichita 12, Kansas.

Complete Engineering Organization available. Group of Chemical and Mechanical Engineers, now working as team, wishes to consolidate with progressive manufacturing or consulting firm interested in expanding into process engineering field and in strengthening present activities. Group well balanced with Senior and Junior Engineers, capable of handling complete projects, designs and economic analyses. Experienced in all phases of unit operations, mechanical design, piping layout, equipment specification, and metal fabrication. Have sales contacts. Willing to share in organizational investment. BO-8299, Business Week.

BUSINESS SERVICES

Fleet Leasing

ROLLINS FLEET LEASING
Any number of Cars and Trucks
No capital investment. Better employee relations. New cars yearly. Savings of thousands of dollars. Unlimited mileage.
Our Specialty: Executive Airplanes
100% TAX DEDUCTIBLE
Rehoboth, Delaware, Phone 3261

A GOOD HABIT

is any habit which can benefit you. By watching for the "clues" section you will find employment opportunities—wanted, vacant, selling—business opportunities of all types, special services and offerings and equipment offered and wanted.

Write for further information to: **Clues Section, BUSINESS WEEK**
330 West 42nd St., New York 36, N. Y.

RESEARCH BRIEFS

Westinghouse Electric Corp. has started construction of a new research center to replace the laboratories that have been located in Forest Hills, Pa., since 1916. The new center in Churchill Borough, Pa., 10 mi. east of downtown Pittsburgh, will be about one-third larger than the existing laboratories.

•

A blizzard tunnel is being built by Lockheed Aircraft Corp. for use by research engineers working on eliminating ice from airplanes. Man-made ice storms in the tunnel will test parts of jet planes now under development.

•

National Research Corp., Cambridge, Mass., has acquired about a 25% interest in Leybold-Hochvakuum-Anlagen G.M.B.H., Koln, Germany. NRC expects that the acquisition will help it keep abreast of European developments in high vacuum research. The German company is a leading producer of high vacuum equipment.

•

Extremely high temperatures encountered by supersonic aircraft and missiles will be studied by an industry advisory committee on equipment cooling systems, formed to assist the U. S. Air Force. The heating of airplanes at high speeds, known as the temperature barrier, looms as the next big obstacle for increased air speeds, now that the sound barrier has been broken.

•

A multimillion-dollar building will be put up in Toledo, Ohio, by Owens-Illinois Glass Co. to provide a center for research and development activities. That way, it will be able to carry projects from basic research to marketing under one roof.

•

A nuclear reactor for research purposes will be built on the Ann Arbor campus of the University of Michigan with a $1-million grant from the Ford Motor Co. Fund. This will be the second U. S. reactor to operate outside of federal reservations; the first is nearing completion at the University of North Carolina.

•

A giraffe's blood pressure will be studied by medical scientists from Duke University to find a clue to the causes of pilot blackouts in high-speed planes or the causes of heart and artery diseases. The long neck of the giraffe indicates that its system might operate at extremely high blood pressures, necessary to pump blood to the animal's brain. Such a pressure, if it exists, would injure human tissues—how the giraffe adapts might be significant.

ADVERTISERS IN THIS ISSUE

Business Week—June 27, 1953

THE ADVERTISING COUNCIL 164

ALUMINUM CO. OF AMERICA (CHEMICAL DIV.) 19
Agency—Ketchum, MacLeod & Grove, Inc.

AMERICAN APPRAISAL CO. 136
Agency—The Buchen Co.

AMERICAN HOT DIP GALVANIZERS ASSN. 106
Agency—The Albert P. Hill Co., Inc.

AMERICAN RADIATOR & STANDARD SANITARY CORP. 16
Agency—Batten, Barton, Durstine & Osborn, Inc.

AMERICAN TRUCKING ASSOCIATION, INC. 116
Agency—J. Walter Thompson Co.

AMERICAN WHEELABRATOR & EQUIPMENT CORP. 103
Agency—The Jaqua Co.

ANCHOR POST PRODUCTS, INC. 122
Agency—VanSant, Dugdale & Co., Inc.

ANGIER CORP. 73
Agency—Larcom Randall

AVCO MFG. CORP. (CROSLEY DIV.) 75
Agency—Benton & Bowles, Inc.

BALTIMORE & OHIO RAILROAD 109
Agency—The Richard A. Foley Adv. Agency, Inc.

BANKERS BOX CO. 135
Agency—Christopher, Williams & Bridges

BARRELED SUNLIGHT PAINT CO. 150
Agency—Sutherland-Abbott

BAY WEST PAPER CO. (DIV. OF MOSINEE PAPER MILLS CO.) 135
Agency—Klau-Van Pietersom-Dunlap Assoc., Inc.

BENDIX AVIATION CORP. 138
Agency—MacManus, John & Adams, Inc.

BLAW-KNOX CO. 121
Agency—Al Paul Lefton Co., Inc.

B. C. ELECTRIC CO. LTD. 126
Agency—Cockfield, Brown & Co. Ltd.

BROWN FINTUBE CO. 159
Agency—Henry T. Bourne Adv. Agency, Inc.

CELANESE CORP. OF AMERICA 65
Agency—Ellington & Co., Inc.

CHAMBERSBURG ENGINEERING CO. 99
Agency—Willard G. Myers Adv. Agency

CHASE NATIONAL BANK, INC. 66–67
Agency—Hewitt, Ogilvy, Benson & Mather, Inc.

CHESAPEAKE & OHIO RAILWAY CO. 56–57
Agency—Robert Conahay & Assoc., Inc.

CHICAGO RAWHIDE MFG. CO. 74
Agency—Wesley Aves & Assoc., Inc.

CLARK INDUSTRIAL TRUCK DIV. CLARK EQUIPMENT CO. 6–7
Agency—Marsteller, Gebhardt & Reed, Inc.

CLUES (CLASSIFIED ADVERTISING) 166

COLORADO FUEL & IRON CORP. 68
Agency—Doyle, Kitchen & McCormick, Inc.

COLSON CORP. 125
Agency—Carr Liggett Adv., Inc.

COLUMBIA RIBBON & CARBON MFG. CO. 108
Agency—E. M. Freystadt Assoc., Inc.

COLUMBIA-SOUTHERN CHEMICAL CORP. 86
Agency—Ketchum, MacLeod & Grove, Inc.

CONTINENTAL CAN CO. 84–85
Agency—Batten, Barton, Durstine & Osborn, Inc.

CONTINENTAL MOTORS CORP. 162
Agency—Cummings & Hopkins

CROWN CAN CO. 133
Agency—The Clements Co.

CRUCIBLE STEEL CO. OF AMERICA 128
Agency—G. M. Basford Co.

DARI DELITE, INC. OF ROSS SYSTEMS 122
Agency—Sperry Boon, Inc.

DAVISON CHEMICAL CORP. 113
Agency—St. Georges & Keyes, Inc.

DEARBORN CHEMICAL CO. 8
Agency—The Buchen Co.

DEMPSTER BROTHERS, INC. 46
Agency—Charles S. Kane Co.

DEWEY & ALMY CHEMICAL CO. 79
Agency—Horton-Noyes Co.

DIAMOND POWER SPECIALTY CORP. 101
Agency—Witte & Burden

A. B. DICK CO. 97
Agency—Fuller & Smith & Ross, Inc.

F. W. DODGE CORP. 104
Agency—Albert Frank-Guenther Law, Inc.

DOUGLAS AIRCRAFT CO., INC. 63
Agency—J. Walter Thompson Co.

DOW CHEMICAL CO. 45
Agency—MacManus, John & Adams, Inc.

DOW CORNING CORP. 10
Agency—Don Wagnitz

DUMORE CO. 105
Agency—Klau-Van Pietersom-Dunlap Assoc., Inc.

THE EAGLE-PICHER SALES CO. 93
Agency—Needham, Louis & Brorby, Inc.

ELWELL-PARKER ELECTRIC CO. 3
Agency—The Bayless-Kerr Co.

THE FAFNIR BEARING CO. ..... Cover 3
Agency—Horton-Noyes Co.

A. B. FARQUHAR CO. 142
Agency—VanSant, Dugdale & Co., Inc.

FEDERAL PRODUCTS CORP. 78
Agency—Hammond-Goff Co.

FIELD AND FLINT CO. 136
Agency—Bachenheimer-Lewis, Inc.

FORT WAYNE CORRUGATED PAPER CO. 114
Agency—Doremus & Co.

FUJI BANK, LTD. 144
Agency—Foote, Cone & Belding Internat.

GENERAL DYNAMICS CORP. 83
Agency—Gotham Adv. Co.

GENERAL ELECTRIC CO. 119
Agency—G. M. Basford Co.

GENERAL ELECTRIC CO. (LAMP DEPT.) 26
Agency—Batten, Barton, Durstine & Osborn, Inc.

THE B. F. GOODRICH CO. 1
Agency—The Griswold-Eshleman Co.

GOODYEAR AIRCRAFT CORP. 14
Agency—Kudner Agency, Inc.

GREEN INSTRUMENT CO. 94
Agency—Tippett, Jackson & Nolan, Inc.

HINDE AND DAUCH 110
Agency—Howard Swink Advertising Agency, Inc.

HOOKER ELECTROCHEMICAL CO. 15
Agency—Charles L. Rumrill & Co., Inc.

HOTELS STATLER CO., INC. 38
Agency—Young & Rubicam, Inc.

E. F. HOUGHTON & CO. 112
Agency—Beaumont, Heller & Sperling

HUDSON PULP & PAPER CORP. 148
Agency—Robertson & Buckley, Inc.

HYSTER CO. 71
Agency—Foote, Cone & Belding

JONES & LAMSON MACHINE CO. 37
Agency—Henry A. Loudon Adv., Inc.

KALAMAZOO LABEL CO. 76
Agency—William J. Williams

LADISH CO. 41
Agency—The Cramer-Krasselt Co.

LAKE ERIE ENGINEERING CORP. 117
Agency—Comstock & Co.

THE LAMSON & SESSIONS CO. 137
Agency—Belden and Hickox

LINK-BELT CO. 2
Agency—Klau-Van Pietersom-Dunlap Assoc., Inc.

THE LORD BALTIMORE HOTEL 94
Agency—Emery Adv. Corp.

LYON METAL PRODUCTS, INC. 64
Agency—Reincke, Meyer & Finn, Inc.

MARLOW PUMP CO. 90
Agency—Richard LaFond Adv., Inc.

McGRAW-HILL BOOK CO., INC. 160

McGRAW-HILL PUBLISHING CO. 148–149

McLOUTH STEEL CORP. 22
Agency—Denman & Baker, Inc.

MERCURY MFG. CO. 165
Agency—O'Grady-Andersen-Gray, Inc.

METAL OFFICE FURNITURE CO. 138
Agency—Wesley Aves & Assoc., Inc.

THE MICHAELS ART BRONZE CO., INC. 90
Agency—Jaap-Orr Co.

MIDVALE CO. 76
Agency—A. E. Aldridge Assoc.

MISSISSIPPI GLASS CO. 140
Agency—Ralph Smith Adv. Agency

MISSOURI PACIFIC RAILROAD 156
Agency—D'Arcy Adv. Co.

MONARCH MACHINE TOOL CO. 51
Agency—Kircher, Helton & Collett

MONSANTO CHEMICAL CO. 111
Agency—Gardner Adv. Co.

NATIONAL CASH REGISTER CO. ..... Cover 2
Agency—McCann-Erickson, Inc.

NATIONAL JET CO. 104

NATIONAL MOTOR BEARING CO., INC. 89
Agency—L. C. Cole Co.

NEKOOSA-EDWARDS PAPER CO. 36
Agency—The Cramer-Krasselt Co.

NEVA-CLOG PRODS., INC. 106
Agency—Wilson, Haight & Welch, Inc.

NEW YORK BELTING & PACKING CO. 153
Agency—Fletcher D. Richards, Inc.

C. A. NORGREN CO. 53
Agency—Shaw-Schump Adv. Agency, Inc.

N. C. DEPT. OF CONSERVATION & DEVELOPMENT 44
Agency—Bennett Adv., Inc.

OKLAHOMA PLANNING & RESOURCES BOARD 143
Agency—White Adv. Agency

D. W. ONAN & SONS, INC. 92
Agency—Graves & Assoc.

PEERLESS STEEL EQUIPMENT CO. 76
Agency—R. E. Lovekin Corp.

PEOPLES FIRST NATIONAL BANK & TRUST CO. 120
Agency—Ketchum, MacLeod & Grove, Inc.

PERMACEL TAPE CORP. 70
Agency—The Aitkin-Kynett Co.

PHILLIPS PETROLEUM CO. 11
Agency—Lambert & Feasley, Inc.

PITTSBURGH STEEL CO. 65
Agency—Bond & Starr, Inc.

POWER PRODUCTS CORP. 77
Agency—Camm, Costigan & Seitz, Inc.

QUEEN STOVE WORKS, INC., ALMCO DIV. 72
Agency—Weston-Barnett, Inc.

RAILWAY EXPRESS AGENCY 91
Agency—Fuller & Smith & Ross, Inc.

RAPIDS-STANDARD CO., INC. 62
Agency—Wesley Aves & Assoc., Inc.

RELIANCE ELECTRIC & ENGINEERING CO. 9
Agency—Meldrum & Fewsmith, Inc.

REMINGTON RAND, INC. 87
Agency—Leeford Adv. Agency, Inc.

REPUBLIC STEEL CORP. 58–59
Agency—Meldrum & Fewsmith, Inc.

REVOLVATOR CO. 123
Agency—La Porte & Austin, Inc.

ROBBINS & MYERS, INC. 69
Agency—Erwin, Wasey & Co., Ltd.

ROCKWOOD SPRINKLER CO. 115
Agency—James Thomas Chirurg Co., Inc.

ROGERS CORP. 94
Agency—The Charles Brunelle Co.

ROHM & HAAS CO. (PLASTICS DIV.) 147
Agency—John Falkner Arndt & Co., Inc.

SAFEWAY STORES, INC. 144
Agency—Albert Frank-Guenther Law, Inc.

SCIENTIFIC DESIGN CO., INC. 62
Agency—Michel Cather, Inc.

SELAS CORP. OF AMERICA 131
Agency—A. E. Aldridge Assoc.

SHAKEPROOF DIV. OF ILLINOIS TOOL WORKS ..... Cover 4
Agency—Waldie & Briggs, Inc.

SINCLAIR OIL CORP. 38
Agency—Doremus & Co.

SPERRY GYROSCOPE CO. 28
Agency—Chas. Dallas Reach Co., Inc.

STANDARD CONVEYOR CO. 146
Agency—Klau-Van Pietersom-Dunlap Assoc., Inc.

STANDARD PRESSED STEEL CO. 47
Agency—Gray & Rogers

STATE OF LOUISIANA 102
Agency—Whitlock-Swigart, Inc.

STOODY CO. 50
Agency—Clyde D. Graham

STROMBERG-CARLSON CO. 141
Agency—Charles L. Rumrill & Co., Inc.

STROMBERG TIME CORP. 88
Agency—Harry Berk

SUNDSTRAND MACHINE TOOL CO. 161
Agency—George R. Holt Adv.

SUN OIL CO. 139
Agency—Gray & Rogers

SURFACE COMBUSTION CORP. 123
Agency—Beeson-Reichert, Inc.

TAYLOR-FIBRE CO. 4–5
Agency—The Aitkin-Kynett Co.

THE TIMKEN-DETROIT AXLE CO. 61
Agency—MacManus, John & Adams, Inc.

TOLEDO SCALE CO. 158
Agency—Beeson-Reichert, Inc.

THE TRANE CO. 100
Agency—Campbell-Mithun, Inc.

ALBERT TROSTEL PACKINGS LTD. 12
Agency—The Cramer-Krasselt Co.

TRUSCON STEEL DIV., REPUBLIC STEEL CORP. 107
Agency—Meldrum & Fewsmith, Inc.

UNDERWOOD CORP. 127
Agency—Marschalk & Pratt Co., Inc.

UNION CARBIDE & CARBON CORP. 42
Agency—J. M. Mathes, Inc.

U. S. AIR CONDITIONING 76
Agency—Jaffe Adv. Agency

U. S. FIDELITY & GUARANTY CO. 96
Agency—VanSant, Dugdale & Co., Inc.

WALLACE SUPPLIES MFG. CO. 52

WARD LEONARD ELECTRIC CO. 54
Agency—James Thomas Chirurg Co., Inc.

WARNER & SWASEY CO. 13
Agency—The Griswold-Eshleman Co.

THE WEST PENN ELECTRIC CO., INC. 163
Agency—Albert Frank-Guenther Law, Inc.

WESTINGHOUSE AIR BRAKE CO. 20–21
Agency—Batten, Barton, Durstine & Osborn, Inc.

WESTINGHOUSE ELECTRIC CORP. 96, 134, 155
Agency—Fuller & Smith & Ross, Inc.

YORK CORP. 157
Agency—Brooke, Smith, French & Dorrance, Inc.

Needed: a New Foreign Policy

The past few weeks have seen a tumultuous series of events that has altered the shape of world problems (page 27). We are now confronted with a radically changed situation that calls for a thorough reexamination of our foreign policy.

The crisis is apparent on all fronts. In Korea, Syngman Rhee's decision to free the war prisoners threatens the truce agreement, and our position is endangered by the fact that the very people we fought so hard to help have turned against us.

In Europe, the danger is incomparably greater. True, the explosive revolt in East Germany represents a striking defeat for the Soviet Union. It may well unleash further outbreaks of dissension within the Communist orbit. But at the very moment when Soviet weakness is exposed for all to see, we are unable to exploit it to our advantage. For our own position in Europe has deteriorated to the point where our entire effort to strengthen the forces of freedom and democracy is in jeopardy.

In Italy, for example, the center coalition of democratic parties failed to win a majority of votes and staved off electoral defeat only by the narrowest of margins. In France, the paralysis of the National Assembly has prevented the formation of a stable government, so that the only thing permanent about the French position is its impermanence. In West Germany, where Chancellor Adenauer has built a strong democracy literally from the ashes, there is a real threat that his pro-American government might be defeated in September's elections.

The insurrection in Berlin and East Germany gives evidence that our policy of integrating West Germany into the European Defense Community is out of date. In following our lead, Adenauer put integration before any attempt to unify Germany. This is no longer tenable now that the East Germans have shown their opposition to the Communist regime.

End of Containment

The situation in Western Europe makes it apparent that the policy of containment is played out. Within limits, this policy was notably successful. It has been the driving force of European unity. Through it we succeeded in strengthening our democratic allies and, at the same time, checked the Soviet Union from expanding its power to grasp all of Europe.

Now the logic of this policy has reached the stage where it has become self-defeating. It has forced the Russians to change their tactics, if not their long-range aims, so that our allies are convinced that the danger of aggression, once so real, is now remote. Thus, they have been increasingly reluctant to build up the North Atlantic Treaty Organization and the EDC. Indeed, EDC appears likely to remain imposing only on paper.

Since the death of Stalin, moreover, the new regime in Moscow has made moves calculated to further the deterioration of our alliance. In a few short months, the new Russian leaders have achieved a maximum success with a minimum effort, mainly because their new policies have not appeared to be the result of pressure on our part. As Walter Lippman recently pointed out, the Communists are making limited concessions "not to enhance our prestige but their own."

This does not mean that the Russian position is now invulnerable. On the contrary, the Russians may be forced to relax international tensions because of pressures, such as the East German revolt. But we cannot hope to exploit their weakness without some new policy.

One move that should be considered before meeting with our allies in Bermuda is to press forward the unification of Germany. This would mean a break with our past policy, but the march of events may require just such a break.

In any case, it is clear that we can no longer rely on our old policy to hold the free world together. In fact, it might hasten the split of the West just when the allies must be united.

The crisis presents us with a great opportunity as well as great new risks. Happily, the President has shown a broad and sure grasp of international problems. All the free world is looking to him for a change. It is time to forge a new policy that can regain our place as the leader of the free world. If we do not, if we remain committed to a policy that is hopelessly out of date, then all we have done, all the money and goods and labor that have been expended in the past, may go down the drain.

Stopping Traffic

The men's apparel trade is being told that it's time for a change. For a change of shirts, that is. From a Truman-type sport shirt, complete with palm trees and coconuts, to more distinguished summer wear.

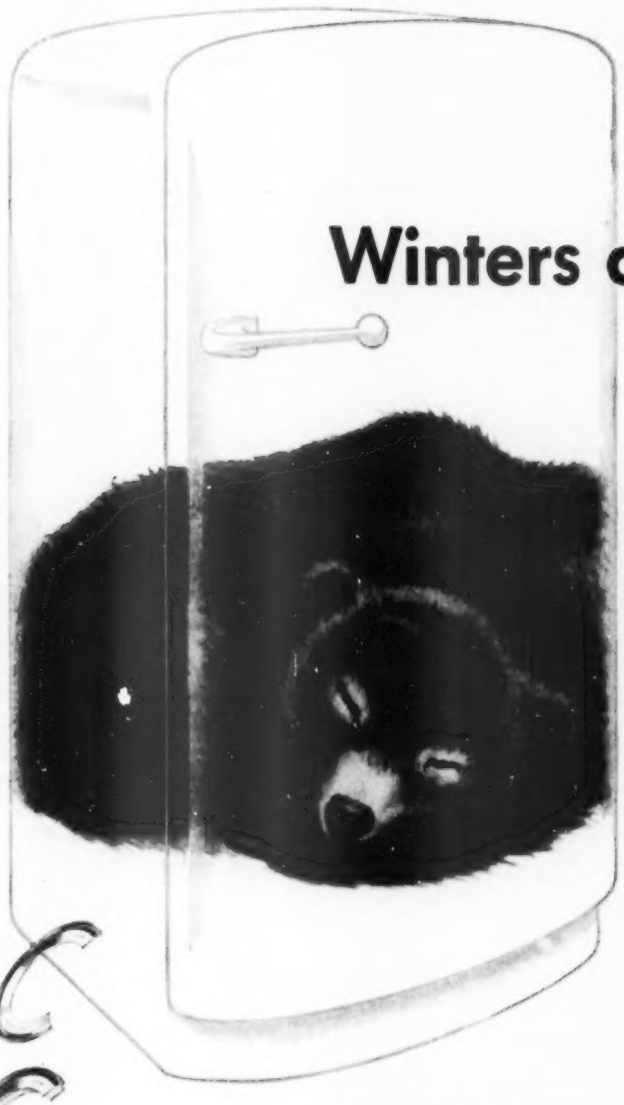
Seems that American tourists, attired in exotic shirts, are stopping traffic on Europe's street corners this summer. That, at least, is the alarmist intelligence that Gene Boyo disseminates in his column on textiles and apparel in the New York Herald Tribune.

Boyo says that the American tourist, "possessed of a fantastic collection of sport shirts," is the "worst dressed of any in Europe." And this sentiment is shared by Mr. M. J. Lovell of the National Assn. of Shirt and Pajama Manufacturers, who calls the tourist shirt "bad public relations for our country."

We take a more relaxed, longer-range view. The loud sport shirt will go. But it will take a little while for the Truman shirt to fade into history. After all, this is our first Republican summer in 21 years.

Winters are longer

in some refrigerators





The cold fact is, anything which operates intermittently has a longer life expectancy when equipped with Fafnir Sealed or Shielded Ball Bearings. Specifically designed to retain lubricants, exclude dirt and contaminants, these protected bearings keep household appliances, electric motors, textile machinery, or farm equipment running smoother, longer, without attention or breakdowns — even when neglected.

Here is another instance of the Fafnir "attitude and aptitude" for providing the right bearing for the need. It's a way of looking at bearings from the user's point of view. More than likely this *application* approach to ball bearing design, in which top quality is only the beginning, can improve your product. Fafnir's experience, remember, is over 40 years long — and industry wide.
The Fafnir Bearing Company, New Britain, Conn.

FAFNIR
BALL BEARINGS
MOST COMPLETE LINE IN AMERICA

More than top quality in ball bearings
...it's what Fafnir has on the ball

*4 WAYS to help speed defense production

You'll find SHAKEPROOF fastenings at many vital connection points on modern military equipment . . . from tanks to walkie-talkies. Those shown here, and hundreds of others, are used by the millions by leading manufacturers because they save assembly time and assure dependable performance. Whether your plant is engaged in military or civilian production—or both—Shakeproof engineers are at your service to help your staff develop fast, economical and acceptable solutions to specific assembly problems. Call them in today.

SHAKEPROOF®

"Fastening Headquarters"

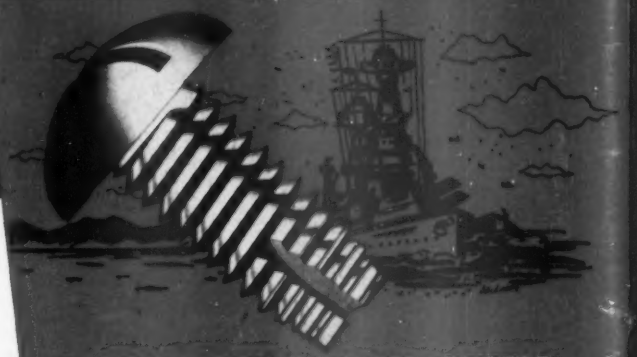
DIVISION OF ILLINOIS TOOL WORKS
St. Charles Road, Elgin, Illinois • Offices in principal cities
In Canada: Canada Illinois Tools Limited, Toronto, Ontario

America's Great Resources Plus A Free Economy Made This Business Possible!



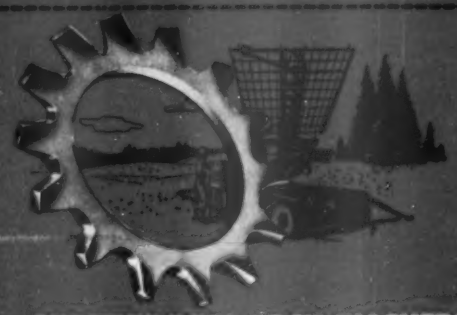
*** SEMS-by-SHAKEPROOF**

. . . pre-assembled screws and SHAKEPROOF Lock Washers eliminate separate washer handling, save assembly time.



*** SHAKEPROOF® THREAD-CUTTING SCREWS**

. . . cut their own threads in metal or plastic, positively eliminate costly tapping operations.



*** SHAKEPROOF® LOCK WASHERS**

. . . hold vital connections tight, reduce equipment failures due to loose fastenings.



*** KEPS®**

. . . speed assembly operations because nut and lock washer are pre-assembled . . . every nut is locked against vibration loosening.

Free . . . TESTING SAMPLES

Samples of the Shakeproof products illustrated here are available on request. Make your own tests and see how you can save. Write today . . . specify the samples you want by name.